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ABSTRACT

This document is a comprehensive evaluation of the laws and methods of financing both public and private higher education in New York. Emphasis is placed on financing and governance. Major findings regarding the state of postsecondary education concern finance and capital, facilities, enrollments, access, financial aid, diversity, quality, governance, and future manpower requirements. Major recommendations suggest: (1) A student Bill of Rights should be enacted to guarantee New York high school graduates the right of access for up to 2 years of postsecondary education with necessary financial support. (2) Low income students must be able to count on grants from public funds adequate to cover full tuition during all 4 years of attendance at public institutions in the state as well as support from all sources to allow attendance at private institutions. (3) Tuition charges should be uniform throughout the state. (4) The concept of the University of the State of New York should be maintained and strengthened. (6) A statewide planning council for postsecondary education should be established. (7) The Governor should nominate the members of the Board of Regents for confirmation by both houses of the Legislature. (8) The state should increase its funding of and its responsibilities for the governance of the institutions. (9) Individual campus autonomy should be strengthened. (10) Special studies should be made of financial considerations. (Author/MJM)

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HIGHER EDUCATION IN NEW YORK STATE

A Report to

Governor Nelson A. Rockefeller

from the

Task Force on Financing Higher Education

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LETTER OF TRANSMITTAL

March 5, 1973

THE HONORABLE NELSON A. ROCKEFELLER
Governor of the State of New York

On October 7, 1972 you requested us to undertake "a comprehensive evaluation of the present laws and methods of financing higher education, both public and private," in New York State. We were asked to "develop a program to strengthen both public and private higher education in the State by proposing better methods of financing and helping to improve the quality of the State's system of higher education," and to make "recommendations in time for consideration at the 1973 Legislative Session."

In view of the broad scope of our assignment and the limited time available, we undertook no original research but made use of existing data and analyses. The same considerations prevented us from covering the entire field of post-secondary education. In particular, graduate and professional education will require supplementary studies. The Task Force recognizes that graduate and professional education are of great significance to the State's well being and that their development and support in both public and private institutions present important policy questions which require careful thought and prompt resolution.

The report is the result of four months of deliberations by the Task Force, during which time we conferred with representatives of public and private educational institutions, with citizens' groups, and with experts on State and local financing.

The report we submit to you deals both with financing and with the inextricably related topic of governance. It contains broad recommendations on policy, together with specific proposals for carrying them out.

We have devoted our energies primarily to understanding the existing structure and function of finance and governance in the State's post-secondary educational system as a whole, to examining educational goals, and to reaching conclusions on hard policy issues, fully recognizing that these are matters on which reasonable and informed men and women may disagree. We have tried also to look at least a decade into the future so that our recommendations will stand the test of time. We can only say that the following report is the result of the best judgment that a Task Force representing a wide range of experience, knowledge and interests can achieve on the basis of available information and analyses.

Sincerely,

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FOREWORD

The recent history of post-secondary education in New York State has been shaped by a series of studies and reports which have helped the Governor, the Legislature and the Board of Regents to build the present system. Two of these reports have had great influence, and deserve to be reviewed briefly here.

The first, titled "Meeting the Increased Demand for Higher Education in New York State," was submitted in November, 1960 by a Committee consisting of Henry T. Heald, Chairman, Marion B. Folsom and John W. Gardner. The recommendations of the Heald Report were vigorously promoted by the Governor and supported by the Legislature and Board of Regents, and it led in the following twelve years to the most dramatic developments in higher education in any State in the United States. These included the growth of the State University of New York from a few small, scattered colleges to one of the major systems of higher education in the land, the vast expansion of public higher education in the City of New York, and the maintenance of the strength of private institutions.

A second Committee, which reported in January, 1968, specifically addressed the problems of financing private institutions. McGeorge Bundy was Chairman, with James Bryant Conant, John A. Hannah, The Rev. Theodore M. Hesburgh and Abram L. Sachar as members. The Committee developed further a recommendation made in the Heald Report that "the State help to insure the continuance of their effectiveness by inaugurating a program of direct aid to private colleges and universities." As a result of the Bundy Committee report, a program was established which provides direct support to private institutions based on the number and level of degrees awarded.

These two outstanding reports, the Heald Report of 1960 and the Bundy Report of 1968, represent the point of departure for the work of this Task Force. The present report is based on information generously provided by the staff of public and private institutions and by State and local authorities. The staff of the State Education Department was particularly helpful in this regard. We also have been greatly aided by our consultants, especially by Dr. Earl Cheit, Professor of Business Administration and Research Economist, University of California at Berkeley, and author of *The New Depression in Higher Education*, and by the editorial assistance of Edward P. H. Kern of New York City. Our staff Director, James S. Lawrence, and the Assistant Director, Peter J. Keitel, have done a magnificient job in a very short time. The administrative assistance of Nancy Pelz-Paget was essential to the workings of our Task Force. We express our thanks to them all, but the findings and recommendations are, of course, entirely our own.

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GOALS

The major goals for post-secondary education[1] in New York State are not found in any single, comprehensive statement which has been adopted officially as State policy. We have tried to construct from official statements of the Governor, the Legislature and the Board of Regents, a listing of desired goals for post-secondary education in New York State. Any program for financing and governing post-secondary education, we believe, should contribute to the achievement of these goals:

1. Every New York State high school graduate with the desire and ability to pursue post-secondary education should be provided full opportunity to do so without regard to financial ability, sex, race or geographic residence in the State.

2. Diverse opportunities should be available to students to pursue post-secondary education. A pluralistic system of post-secondary education should include institutions which are large and small, public, private and proprietary, traditional and experimental, urban and rural, and should have programs ranging from non-collegiate and vocational to the most advanced scholarly and professional fields. It is essential that both private and public sectors be kept strong in order to encourage maximum diversity.

3. Genuine freedom of choice should be provided to students to select the institutions and programs most appropriate to their needs and abilities and at whatever time in their lives further education is needed.

4. The overall quality of post-secondary education in New York should be maintained and improved.

5. The size, complexity and cost of the State's system of post-secondary education require effective statewide governance, planning and coordination, and concern for the most effective use of resources. Institutional initiatives within this framework must be maintained and strengthened to insure achievement of this goal.

The appendix presents the public statements from which these goals are drawn. (See pages 29 and 30.)

[1] This report uses the phrase 'post-secondary education" to refer to all educational programs, collegiate and non-collegiate, after high school. The phrase "higher education" refers only to collegiate programs.

SUMMARY

New York State's system of post-secondary education has made remarkable progress in the past decade. In addition to maintaining its strong private institutions, New York has developed two of the nation's leading public university systems. This progress has been made possible through the support of the Governor, the Legislature and the State Board of Regents, and has received vigorous public backing.

The time has come to take the next step. New York's system of financing and governing higher education should be changed to achieve State goals and to meet the changing conditions expected in the decade ahead. The recommendations made in this report are based on three major premises:

Premises for Action

1. Both the students and the State will benefit if high school graduates desiring up to two years of post-secondary education are afforded that opportunity throughout their lifetimes. State policies should be established to guarantee students financial support on the basis of need, and to make available the necessary programs and facilities.

Appropriate opportunities for college level studies through the bachelor's degree should be made available for all who qualify.

2. Both the students and the State will gain by a policy which provides full student choice of programs and institutions throughout the State through the removal of financial barriers. To make this possible, public policies should rely increasingly on the funding of students, and less on direct funding of institutions.

3. The size, complexity and cost of post-secondary education require a streamlining of governance, planning and coordination. The post-secondary system must be made more responsive to both student and State needs. The best way to administer an open and competitive system is to strengthen institutional initiatives and incentives under policies and standards which encourage healthy competition and free student choice but discourage wasteful duplication.

The following are the major recommendations made in this report:

Major Recommendations

1. A Student Bill of Rights should be enacted to guarantee New York high school graduates the right of access for up to two years of post-secondary education, with necessary financial support so that all may choose the programs suited to their needs. Those who qualify academically for the last two years should have the right to the financial aid needed to complete the bachelor's degree. The major features comprising this Student Bill of Rights are set forth in the following section, and examples of the proposed student financial aid are shown on pages 12–14.

2. Low-income students must be able to count on grants from public funds adequate, as a minimum, to cover their full tuition during all four years of attendance at public institutions in the State as well as adequate support from all sources to allow attendance at private institutions to which they are admitted.

3. Tuition charges should be uniform in public institutions throughout the State, including the City University of New York. Charges in the first two years should be lower than in the second two years.

4. The methods of financing of post-secondary education in New York should be related to the Federal Education Amendments of 1972.

5. The concept of The University of the State of New York, which has broad responsibility for all education in the State, should be maintained and strengthened in order to assure the integration of post-secondary education with other levels of education.

6. A Statewide Planning Council for post-secondary education should be established under the aegis of the Board of Regents to plan and coordinate all post-secondary education, public and private.

7. The Governor should nominate the members of the Board of Regents for confirmation by both houses of the Legislature.

8. The State should increase its funding of, and its responsibilities for the governance of, the City University of New York, the City University Construction Fund and the community colleges. The City University should remain an independent entity, and local concerns must be adequately reflected in the new governance patterns.

9. Individual campus autonomy should be strengthened throughout the State by reduction of unnecessary administrative regulations and supervision.

10. Special studies should be made (a) of the financing of graduate and professional education and (b) of improving methods for informing students and parents of available financial aid for post-secondary attendance.

A STUDENT BILL OF RIGHTS

Opportunities shall be guaranteed to New York State high school graduates for up to two years of post-secondary education throughout their lifetime. They shall be available to those students who seek further post-secondary education and who qualify for admission and continued study according to institutional standards. The State shall insure that the necessary facilities and programs are available.

The Bill of Rights shall further guarantee that:

1. Students from low-income families shall receive support in the form of outright grants, loans and work, adequate to cover all reasonable actual expenses of attendance at public and private post-secondary institutions.[1] In the case of students from very low-income families, extra allowances shall be made for unusual personal expenses. Outright grants should cover approximately two-thirds of actual, reasonable expenses during the first two years at all institutions. Outright grants should cover the cost of all tuition, fees, reasonable expenses of room and board or the cost of commuting during the first two years at all public institutions. The financial support needed to cover additional expenses should be provided by subsidized loans and student work. Grants for the third, fourth and, in some cases, the fifth year shall cover declining percentages of actual expenses. In all cases, grants for low-income students would cover full tuition and fees at public institutions, and the total of grants, loans and work would be sufficient to cover the costs of attending private institutions.

2. Students from middle-income families shall receive grants which, when added to a required level of family support, shall cover approximately two-thirds of actual costs of attendance during the first two years. Grants will be based on declining percentages of costs in the third and subsequent years. The remainder shall be provided by subsidized student loans and work.

3. Students from families whose income level makes them ineligible for grants should be eligible to receive support from subsidized student loans and work. The level of this support, however, is contingent on the family's ability to pay, diminishing to zero at the point where the family can defray a student's entire educational expenses.

4. Families shall be guaranteed loans without subsidized interest in order to finance part of their required level of support. Those families which do not receive benefits under articles 1 through 3 above shall be entitled to loans without a means test.

[1] Defined as including tuition, fees, books, room and board, commuting costs and an allowance for personal expenses.

FINDINGS

During the past decade New York has made enormous progress in post-secondary education. It has much to be proud of, and a solid base has been built. It has large numbers of institutions, and many of high quality. It has a history of national leadership in higher education policy and finance. The context of these findings, therefore, is not one of governmental neglect, past failure or present emergency. Problems, however, do exist. The question is whether these problems and the State's future needs require changes in policies and practice.

Our major findings concerning the state of post-secondary education in New York are as follows (page numbers of the Appendix where data are provided also are included):

On Finance and Capital Facilities

1. Overall, New York's higher educational institutions, public and private, appear to be well financed relative to comparable institutions elsewhere in the country. Although available data are neither up-to-date nor directly comparable, costs per student in New York appear relatively favorable compared to institutions in other states. (See pages 33 and 34.)

2. In general, the financial health and stability of the private institutions in New York State seem to have improved in the last two years. Most institutions have achieved a financial balance through adjustments in programs and operations. Their circumstances are precarious, however, and a few institutions are still in serious trouble. The public institutions also have been affected by recent fiscal problems and have had to make adjustments. (See page 35.)

3. The total costs of higher education will continue to rise, though at a lower rate of growth than in the past decade as enrollments level off. Costs per student also will rise, in part because of higher living costs generally. Higher education is a "labor intensive" industry, and improvements in productivity in the past have been small. (See pages 36 to 41.)

4. Assuming continued healthy economic growth, New York State appears able to attain its goals of access and quality in post-secondary education (a) if the present proportion (about 10.5 percent) of the total State Budget continues to be allocated to higher education, and (b) if an appropriate ratio is achieved among individual and State, local and Federal contributions. (See pages 39 and 40.)

5. With the adoption of the Education Amendments of 1972, the Federal government has established new priorities for Federal funding of post-secondary education. Grants to students of up to $1,400 a year for needy students (Basic Educational Opportunity Grants) have been authorized as well as a program of direct grants to institutions. If funds are appropriated for these two programs alone, New York State institutions and students could ultimately receive at least $150 million in Federal support. We estimate that, if all post-secondary provisions of these Amendments are fully funded, New York institutions and students could receive as much as $350 million in 1973-74. We estimate that the 1973-74 Federal Budget contains about $95 million for post-secondary education in New York State. Students would receive approximately $56 million in 1973-74 and $83 million in 1974-75 in grants if Congress adopts the President's budget as proposed. (See pages 42 and 43.)

It is important to note that New York State students and institutions will fail to some degree to qualify for Federal funds under the new statutes unless the public institutions charge higher tuitions than they do at present. The Federal Grant to a student cannot exceed one-half of his total expenses including tuition. Under present circumstances, many New York students could not receive the maximum Federal Grant of $1,400 because they pay low tuition or none at all. The amounts to be provided under the institutional grants program, when and if funded, will be tied to the Federal financial aid awarded to individual students at each campus.

6. Local governments in New York spend a higher proportion of the funds provided for public higher education by state and local governments than do local governments elsewhere (41 percent compared to the national average of 15 percent). (See page 44.)

7. Capital facilities in higher education have been developed in recent decades in the State to a level which not only meets current needs but, for the most part, will meet the probable needs for the coming decade. The major exception is the inadequate state of the physical facilities in parts of the City University of New York. (See page 45.)

On Enrollments

8. In 1972 enrollments in public and private institutions began to level off after a decade of dramatic growth. Full-time enrollments at private institutions in total and at some public colleges actually declined from 1971. This may be a unique occurrence, but we suspect that it is more likely a portent. We are not persuaded that the increase in enrollments stated as "goals" in the Regents 1972 Master Plan (and approved by them only through 1975 at the undergraduate level) will actually occur. Recent events and a review of the assumptions upon which these projections were based suggest that full-time undergraduate plus graduate enrollments, now at 532,000, may rise far less than the 722,000 in 1980 and 725,000 in 1985 predicted in the Regents Plan. We do envision a continuing growth in enrollments during the 1970's but at a reduced rate compared with the 1960's. We foresee little or no growth, and possibly even a decline, in the 1980's.

The dramatic reduction in the birth rate in 1971 and 1972 indicates that in the late 1980's the 17-21 age group will be smaller than it is now, and that post-secondary enrollments from this group may fall well below current levels toward the end of the decade and the beginning of the 1990's. Somewhat offsetting this decline, the new Federal student grants may increase the percentage of high school graduates seeking post-secondary education, as may the increasing thrust toward delayed entry into the system. (See page 46–51.)

9. This declining growth rate or actual reduction in numbers of students may sharply increase the competition for students among institutions, a phenomenon which to some extent is already occurring.

10. The private institutions state that they have room under certain conditions for almost 56,000 more students.

11. The relative demand for two-year programs appears to be rising, and there may be some shift in student preference away from full-time study to part-time study. More students are demanding greater variety in programs and greater flexibility in scheduling post-secondary education into the sequence of their lives. (See page 52.)

On Access

12. New York State is approaching a situation in which facilities and programs for two years of post-secondary education are available for most high school graduates who seek them. The most visible recent gains in educational opportunity have been made in New York City because of the open admissions policy of the City University of New York. There are, however, certain exceptions:

a. In a few major and several smaller counties students do not have the facilities and programs they need for two years of post-secondary education. Thus some students have lesser opportunities for access solely because of their residence. (See page 53.)

b. Disproportionately low numbers of women are enrolled in higher education institutions. (See page 53.)

13. The poor and the academically disadvantaged, especially from minority groups, are not now able to benefit from higher education in proportion to their numbers. This is true despite the no-tuition policy in the City University. Many students can not enter higher education at all because of the high school drop-out rate, particularly in the cities. Those who graduate from high school face a lack of money for daily living expenses, books and transportation costs, which are not adequately met by present student financial aid programs. (See pages 54–59).

14. Students with lower and middle incomes are limited in their choice of post-secondary institutions by the high costs of attending private colleges or of living away from home.

15. Tuition differentials between private and public universities have grown over the years. Tuition levels in New York's private institutions are roughly comparable to those elsewhere in the country; State University's tuition is somewhat higher than that of other public institutions; City University's free tuition policy for full-time undergraduates is almost unparalleled. (See pages 60 and 61.)

16. The movement toward universal access has put severe strains on the institutions, particularly in the City University where many students require considerable remedial work.

On Financial Aid

17. New York State's budget for student aid is the nation's largest. But because of the very large number of beneficiaries, average grants are small and insufficient for low-income students. (See page 62.)

18. There are so many student aid programs, and they are so complex and so varied in their eligibility standards, as to be confusing to the students themselves and at times inequitable. (See pages 63 and 64.)

On Diversity

19. New York's higher educational system is extremely diverse, offering students a wide choice of institutions and programs. Our consultations, however, have revealed concern that the system may not have adequately adjusted or supplemented traditional curricula to meet the needs of changing times. There is also much discussion about the desirability of providing opportunities for "life-long learning" to all citizens, regardless of age. Initial steps have been taken in recent years, however, to provide such opportunities.

On Quality

20. Though the evidence is scanty and difficult to judge, New York's higher education system appears to be reasonably competitive in quality with that of other States. Yet there is room for improvement. More effective mechanisms should be devised for insuring that quality is continually defined, monitored and maintained.

On Governance

21. The existing system of governance over post-secondary education in the State has produced good results in the past, but difficulties have arisen as the system has grown. Relations among the Office of the Governor, the Legislature, the Regents, the State University, the community colleges, the City University and the private institutions are not satisfactory for today's requirements, still less for tomorrow's. Decisions affecting higher education in the State are not always reached in a sufficiently orderly and prudent manner. Ad hoc solutions to specific problems have been made without adequate regard to an overall pattern of development. These relationships need to be revised for the sake of the students, post-secondary education and the State.

22. In adopting the Education Amendments of 1972, the Federal government has embarked on an expanded role in the planning of higher education throughout the United States. These amendments require states to establish statewide post-secondary planning commissions if certain Federal funds are to be received. (See page 65.)

23. Another result of the 1972 Federal legislation is an increased emphasis on the role of non-collegiate institutions and the support of vocational and technical programs to supplement what has usually been considered "higher education" with a view to making it truly "post-secondary education." Access to post-high school education cannot be viewed solely in traditional collegiate terms. About 480 non-collegiate institutions offer post-secondary programs in the State. The Board of Regents recently has expanded its efforts to bring such institutions and programs into the State's overall planning and financing of post-secondary education and should be commended for these efforts. (See pages 66 and 67.)

24. There is increasing public criticism of the mounting costs of higher education and a justifiable

insistence that these costs should be controlled through better planning and coordination and more effective governance. One common complaint concerns the failure to utilize resources as efficiently as possible, a shortcoming which may stem from the 1960's when institutions were forced hurriedly to expand to meet the crush of added enrollments.

25. Significant differences in governance and finance exist among the State University of New York, the City University of New York, the community colleges outside the city, and the private colleges. Differences are to be found in tuition charges, the quality of physical facilities, levels of faculty compensation, money expended per student, and availability of programs geographically. We believe that some differences are desirable since they lead to valuable diversity. Others, however, have created—and will continue to create—social and political tensions and confusion. Feelings of inequity exist in the minds of students, faculty and the public, and the situation is likely to grow more serious unless changes are made. Such changes should be considered, of course, only as a part of a total program to meet basic State goals.

26. The State's present role in the governance of both the City University of New York and the community colleges has created problems in achieving effective governance, planning and coordination. For example, the State's inability to assure access to community colleges throughout the State has resulted in the de facto geographical discrimination mentioned earlier.

27. There is increased public concern about accountability for all higher education expenditures. Some public institutions, because of their public funding, are continuously subject to such detailed controls and scrutiny that their ability to exercise institutional initiative may be threatened. On the other hand, as public support for private institutions increases, they too must be held accountable for their expenditure of public funds.

28. The State and City Universities, the community colleges, and some of New York's private institutions have entered a new period of collective bargaining with their employees. Many questions about its effects remain unanswered, and the problems posed by collective bargaining clearly deserve priority attention.

On Future Manpower Requirements

29. The State's projected supply of college-educated citizens appears to exceed the economy's projected demand for those who complete the baccalaureate degree and for many graduate degrees as well. The demand appears to be greater for students at the two-year, technical and occupational level. The forecasts are uncertain, however, partly since it seems likely that employers have increased their reliance on academic credentials, and may continue to do so in the future. (See pages 68 and 69.)

As we noted at the start of this section, New York has made remarkable progress in recent years in post-secondary education. The situation is not one of crisis but of success. In view of these findings, however, questions still remain: Are changes needed in direction and policy in the present methods of financing and governance? Does the present position of the State justify such changes, or do future probabilities require them?

We conclude from these Findings that the answer to the questions is yes. Our recommendations follow.

RECOMMENDATIONS

The time has come for New York to establish new policies and methods of financing and of governance. Our recommendations in both areas, taken together, call for a basically new direction for State policy.

Our proposals are interrelated, and all of them are essential if the State's goals are to be reached. We present for consideration not just a group of separate building blocks but a plan for a whole new structure. Our specific proposals result from our analysis of what is needed to create this new structure.

Since these recommendations concern a total structure, with all of its parts indispensable to each other, we respectfully urge that our proposals be considered as a unity and not piecemeal. One major cause of the snail's pace of reform in higher education is the fear that any comprehensive new plan will be picked apart by special interests to the point where its effectiveness will be largely vitiated.

In this particular instance it would be all too easy for the pressures for economy, tax reduction or institutional reputation to distort or shrink our specific proposals concerning student aid. But severe damage to any part of the new structure we are proposing would work severe damage to the whole. The resulting compromise might constitute a retreat from State goals instead of an advance. It would almost certainly in this instance force institutions into an unseemly and damaging struggle for funds in the political arena, with their well-being, if not survival, at stake. Such a situation would be sadly inconsistent with New York's educational traditions. Thirteen years ago New York was not afraid to follow through boldly on the Heald report and on a large scale. It should be able to do so again:

1. The student financial aid proposal, which is critical to the Student *Bill of Rights,* should be considered first. It is the keystone of the structure and a main source of funds for both students and institutions. If favorable action is not taken, then our further recommendations on institutional support, especially in regard to the City University of New York tuition, should not be considered.

2. If the Bill of Rights is accepted, our recommendations on tuition charges logically come next, followed by institutional support.

3. Recommendations on governance should be acted on to complete the program.

If it is decided to adopt the policies recommended in this report, most careful planning and phasing will be required. Many complex details and issues not covered in the report will have to be resolved both in legislation and administration. We urge that this planning process be undertaken immediately, that as much progress as possible be made in the present legislative session, and that all plans and special studies be ready for consideration by the Governor in his Budget Message in 1974. We also propose transitional steps (page 21) that might be taken at once while these basic proposals are under consideration.

I. STUDENT BILL OF RIGHTS

A. *We recommend that all New York State high school graduates beginning with the class of 1974 should be guaranteed the opportunity of up to two years of post-secondary education in the State regardless of their income, race, sex or place of residence within the State.* Such guarantee should be available for genuine educational reasons through the individual's lifetime. The public two-year colleges should insure that all New York high school graduates have opportunities for access.

The State would not guarantee access to students beyond the first two years, but sufficient places should be made available beyond those two years in public and private institutions to meet the needs of all students who apply and who are academically qualified by institutional standards.

The private institutions would, of course, maintain their own standards of admission, and no student would have the right to admission to a private institution.

Goals to be Achieved

The State is approaching a situation in which two years of post-secondary education are available to most high school graduates. We believe that the goal of full access should be reached, and we believe it to be a cornerstone of State policy.

B. *We recommend that a student financial aid program be enacted to implement the Student Bill of Rights.*

All educational expenses of the neediest students, including tuition, fees, room and board, commuting costs and limited personal expenses, should be provided under this program. Non-tuition expenses too often pose an insurmountable barrier to low-income students. This barrier must be removed if genuine access and opportunity are to be provided for all. Very low-income students should receive an additional allowance for personal expenses. The program should be available at all post-secondary institutions. It would include funds from State and Federal grants to students, based solely on need, plus loans, work, including summer earnings, and family support with the following components:

(1) *Outright grants* would be made to low and middle-income students scaled according to the financial support the family could be expected to provide and according to the cost of attending the institution, public or private. Family support should be dependent upon total income, assets, family size, the number of children in college and other factors. During the first two years the maximum grants shall cover two-thirds of the actual costs of attendance for low-income students, including the extra expenses of those with very low incomes. Grants should cover the cost of all tuition, fees, reasonable expenses of room and board or the cost of commuting during the first two years at all public institutions. During the third year the grant shall be determined, for example, on the basis of 55 per cent of actual costs, and in the fourth and possibly fifth years on the basis of 40 per cent of actual costs. Despite these grant reductions, *low-income students at public colleges will be guaranteed grants that at least meet full tuition charges.* Throughout the student's education, low-income students would be guaranteed full financial aid through a combination of grants, loans and/or summer or other work.

(2) *Federally subsidized student loans* would be available to needy students to cover the educational costs not provided by grants and family support.

(3) We recommend a new State program of loans to families to supplement the Federal loan program. Under the new program, *guaranteed (not subsidized) loans of up to $1,500 a year would be made available to families regardless of their income.*

(4) More jobs should be made available to students to reduce the need for loans. We recommend that the State supplement the Federal Work-Study program to help to meet student needs.

(5) The Task Force further recommends that the Regents shall prepare and submit to the Governor and the Legislature for approval, regulations which shall:

a. define the approved actual costs of attendance under the Student Financial Bill of Rights.

b. define the method of determining required family support.

c. define the ratios and amounts of State grants, loans and work-study.

d. define New York State residency for the purposes of this recommendation.

Five features of this recommendation require special mention:

(i) The State grant program should be closely integrated with and should complement the new Federal Basic Educational Opportunity Grants. The State should guarantee maximum grants to low-income students.

(ii) For middle-income students, State grants would decline as family income rises. State grants to these students should be based upon the assumption of eventual full funding of the Federal Education Amendments of 1972.

(iii) All existing State student aid programs for undergraduates, including the Scholar Incentive Awards and Regents Scholarships, should be replaced by the proposed new program. Among other things this will make it far easier for students to calculate how much student aid will be available for their education. Aid to graduate students, however, would be left untouched pending the recommended study of graduate programs.

(iv) Part-time study should be encouraged through grants, based on need, of amounts up to the costs of tuition, fees and books.

(v) The resulting student aid program should make it far simpler for students, parents and administrators to understand what funds are available.

Goals to be Achieved

This recommendation is consistent with the State goals of maximizing opportunities for access and maintaining healthy competition.

The provisions of the financial Bill of Rights are essential if the State is to meet its goals of providing full opportunity to students regardless of their income, and of granting genuine freedom of choice to students to select from competing institutions and programs.

Other important considerations enter here. Students should rely increasingly on loans and work after completing the first two years of education. We believe that students who have completed two years of college are better able to earn part of their expenses through part-time work, summer jobs or stopping out for a period, and to obtain loans because of higher lifetime earning capacities, and that State grant resources should therefore be concentrated on the first two years.[1] Distributed in this manner, student aid also will benefit private institutions by improving opportunities for low and middle-income students to attend and by reducing the current deficits of these institutions attributed to student aid.

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[1] Special comment by Mr. Bartlett: This report in several key provisions emphasizes both a practical and a theoretical difference between the first and last two years of post-secondary education. While I agree that the widespread existence of two-year colleges and of shorter programs operated by proprietary and other profit-making institutions may now constitute a practical difference, I do not believe there is any difference in principle, and I believe there are likely to be serious long-range disadvantages in building our educational systems around numbers of years rather than around educational goals and differences in student objectives and needs.

EXAMPLES OF PROPOSED STUDENT FINANCIAL BILL OF RIGHTS

The examples that follow are intended to illustrate the *concept* of student support which is the basis of our recommendations. The program will have to be worked out in detail, after careful analysis, before adoption and implementation.

The following table gives examples which illustrate the effect of the proposed student aid program for a student from a family of five with one student in college. Different family sizes or numbers of college students would lead to different figures. The examples are based on gross family income.

The examples show student financing at five levels of family income and for two types of budget, a commuter student at a public college and a resident student at a private college. They show the different patterns of support between the first two years and the last two years of the usual college program only for the $4,000 income level; appropriate adjustments would be made at higher income levels.

We have used the following definitions and assumptions:

1. Tuition and fees—we have used annual tuitions of $650 for lower division study and $1,000 for the upper division at public institutions and assumed an upper limit of $2,100 at a private institution.

2. "Commuting and Other Costs" includes: books, travel, lunches, personal expenses, and maintenance at home.

3. "Extra Personal Expenses" includes $500 for very low income students for such extra personal expenses as adequate clothing.

4. "Room, Board and Other Costs" includes the estimated costs of living at a college away from home.

5. "Family Support" was determined by using the College Scholarship Service System. The support would change according to family size, assets and other circumstances.

6. The "Grant" would be the amount guaranteed by the State and would include grants from Federal and other sources. Grants equal 67 percent of total expenses for families with $4,000 and $7,000 gross income in the first two years, 55 percent in the third year, and 40 percent in the fourth year. For families with $10,000 gross income with a student at a public or private institution, the grant plus the family support would be equal to two-thirds of total expenses. For families with $14,000 gross income with a student at a private institution, the grant plus family support would be equal to two-thirds of total expenses.

7. "Student loan/work" would be the amount guaranteed through student loans which could be made up in part from summer earnings or part-time work.

Examples of Proposed Student Financial Bill of Rights for Family of Five with One Student in College
Student Aid Includes Federal, State and Other Funds

	$4,000 Gross Family Income			$7,000	$10,000	$14,000	$18,000
	1st and 2nd yrs.	3rd yr.	4th yr.	1st and 2nd yrs.*	1st and 2nd yrs.*	1st and 2nd yrs.*	1st and 2nd yrs.*
COMMUTER STUDENT—PUBLIC COLLEGE:							
Expenses							
Tuition and Fees	$ 650	$1,000	$1,000	$ 650	$ 650	$ 650	$ 650
Commuting and Other Costs	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Extra Personal Expenses	500	500	500	–0–	–0–	–0–	–0–
Total	$2,550	$2,900	$2,900	$2,050	$2,050	$2,050	$2,050
Financing							
Family Support	–0–	–0–	–0–	–0–	$ 650	$1,500	$2,050
Grant	$1,710	$1,595	$1,160	$1,375	725	–0–	–0–
Student Loan/Work	840	1,305	1,740	675	675	550	–0–
Total	$2,550	$2,900	$2,900	$2,050	$2,050	$2,050	$2,050
RESIDENT STUDENT—PRIVATE COLLEGE:							
Expenses							
Tuition and Fees	$2,100	$2,100	$2,100	$2,100	$2,100	$2,100	$2,100
Room, Board and Other Costs	1,900	1,900	1,900	1,900	1,900	1,900	1,900
Extra Personal Expenses	500	500	500	–0–	–0–	–0–	–0–
Total	$4,500	$4,500	$4,500	$4,000	$4,000	$4,000	$4,000
Financing							
Family Support	–0–	–0–	–0–	–0–	$ 650	$1,500	$2,700
Grant	$3,015	$2,475	$1,800	$2,680	2,030	1,180	–0–
Student Loan/Work	1,485	2,025	2,700	1,320	1,320	1,320	1,300
Total	$4,500	$4,500	$4,500	$4,000	$4,000	$4,000	$4,000

* Adjustments would be made in 3rd and 4th years. See example for $4,000 income.

Family Loans

Loans, guaranteed by the State but without interest subsidy, would be available to all families to finance a portion of their support for students. Any of the families in the above examples could take out family loans to supplant a portion of the expected family support. The assumed maximum loan would be $1,500 a year.

Families at a $22,000 gross income level would be expected to provide support for the total costs at both private and public institutions. However, they would be given the option of taking a family loan rather than having to finance the entire cost from current income and assets.

II. TUITION CHARGES

1. a. *Tuition charges at public institutions should be uniform throughout the State, including the City University of New York.* Students now enrolled should complete their course of study in the lower or the upper divisions at the tuition rate (or no tuition) at which they entered these divisions.

   b. *We recommend that relatively low tuition charges be maintained for the first two years of study at all public institutions.* The guideline might be that tuition equal about 40 percent of lower division costs for educating students.[1] The remaining 60 percent would be divided between State, local and Federal governments and other sources.

   c. *We recommend somewhat higher tuition charges for work in the last two undergraduate years,* averaging perhaps 50 percent of upper division costs. The remaining 50 percent of costs would be provided by State, local and Federal governments and other sources.

Goals to be Achieved

These recommendations, taken together with the Student Bill of Rights, help to achieve the goals of giving students freedom of choice among competing institutions and of insuring that widely diverse opportunities for post-secondary education are available, including those provided by a healthy private sector. They will also reduce the tensions which now result from the disparate institutional policies.

Among the institutions most affected by these recommendations would be the City University of New York, which charges no tuition to full-time undergraduate students. By charging tuition according to the uniform approach recommended here, City University would no longer have to fully subsidize those of its students who can afford to pay. Low-income students attending City University would fare even better than they do now. Not only would their full tuition be paid for under the proposed student aid program, but their non-tuition expenses would be covered as well. The net result would be greater equity and a more sensible deployment of public resources.

Finally, we consider it extremely important that the State take maximum advantage of Federal funding in order to reduce the burden on State taxpayers.

2. *Consideration might be given to a policy authorizing local governments to provide limited funds to students beyond those we recommend to offset tuition or other costs for students who live in that government's jurisdiction.* If they do so, however, funds should be provided on the same basis to all students resident in the jurisdiction and available for them to use at both public and private institutions. Local adoption of this proposal could encourage the families of students to continue to reside within the local jurisdiction.

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[1] Our definition of "costs for educating students," using the language of higher education accounting, is Educational and General costs less the costs of Sponsored Research and of Extension and Public Service.

III. STATEWIDE GOVERNANCE

A. According to the Constitution of the State of New York, the Board of Regents is responsible for overseeing all branches of education—public and private, elementary, secondary and post-secondary, cultural and professional. All are subsumed under the title of "The University of the State of New York". Such a broad responsibility requires special organizational arrangements to assure effective planning and governance, especially in post-secondary education. *We do not believe that higher education should be separated from the other responsibilities of the Board. On the contrary it needs to be integrated more effectively than at present into the fabric of The University of the State of New York.* This belief acknowledges and supports the tradition that The University of the State of New York is a policy-making and not an operational body. Under its policies, public and private institutions are accorded maximum autonomy and initiative consistent with overall State aims for post-secondary education.

B. *Political competition among public and among private institutions and between the two for scarce resources should be replaced by mechanisms which will relate the needs of these separate institutions to available resources and public and student needs.* These mechanisms should allow for differences in institutional financial structures. They should ensure maximum local autonomy and responsiveness to the needs of students and of society. At the same time they should provide a procedure for statewide planning and interinstitutional policy coordination which will reflect the capacities and requirements of New York citizens. They should also strengthen existing processes of qualitative monitoring to ensure that funds are not wasted on inferior programs and to protect students and parents.

C. *The Board of Regents:*

1. *The present method of appointment of the Board of Regents and the length of the Regents' terms should be revised in order to achieve greater coordination at the State level and greater responsiveness to changes in the State's needs.* We agree with the Board of Regents, which has recommended that the term of its members should be shortened appreciably from the present 15 years, although not shortened to such an extent as to leave the Board continuously vulnerable to current political influence.

2. *We recommend that the membership continue to reflect the judicial districts of the State, plus members at large.*

3. We believe it is of the utmost importance to achieve maximum cooperation between the Governor, the Legislature and the Regents in planning and overseeing education in New York State. Toward this end *we recommend that the Governor and the Legislature cooperate in the selection of Regents, who should be nominated by the Governor subject to confirmation by both houses of the Legislature.* This recommendation is designed to ensure the ability of post-secondary education to respond to the State's fiscal responsibilities and to prevent educational policies from falling subject to political control.

D. The present method of introducing changes into post-secondary education involves the development of a master plan that is updated and approved every four years (with intervening progress reports and amendments) by the Regents and the Governor on the basis of recommendations made by the State and City Universities, by private institutions, and by other agencies. We believe that *post-secondary education in New York State,* because of its growing size and complexity, because of the added pressures upon it from new constituencies of students, and because of fiscal problems, *requires the full and continuous attention of a new, broadly representative planning group under the aegis of the Board of Regents. This State Planning Council for Post-secondary Education should have the following characteristics:*

1. The Governor shall appoint the members of the State Planning Council with the concurrence of the Board of Regents and the Senate.

2. It should include several members of the Board of Regents. It should also include members

who will represent the interests of all types of post-secondary institutions and representatives of the general public with appropriate representation by sex and ethnic groups.[1]

3. The Council's membership should be rotated through overlapping terms.

4. Its duties should include:

a. Comprehensive planning for all post-secondary education to assure achievement of State goals;

b. General coordination of all post-secondary education activities;

c. Consideration of manpower supply and demand;

d. Establishment and maintenance of an adequate data collection system. (This duty deserves particular comment. Improved information is badly needed if decision-making in post-secondary education is to be improved.)

e. Undertaking the responsibilities recommended elsewhere in this report, and other duties as may be required.

5. It should consult with the Governor and the Director of the Division of the Budget with regard to realistic budget expectations, and should work with the Governor on planning and advise him on annual allocations for post-secondary education. It should not, however, be in the direct line of budget preparation and approval.

6. As indicated above, it should report to the Board of Regents and to the Governor. It should prepare the Statewide Master Plan for Post-secondary Education for submission to the Regents and the Governor.

7. It should have an executive director and a staff adequate for its responsibilities.

8. It should carry out its activities in direct communication with the various institutions and systems of post-secondary education.

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[1] We are not undertaking to pass judgment on whether the Board of Regents qualifies as a State Planning Commission under Section 1202 of the Federal Education Amendments of 1972 since this matter is under the purview of the Federal government and now is being considered by Federal officials. We believe this proposal would, however, meet whatever requirements the Federal government may establish for State planning agencies, including those of Section 1202.

IV. STATE RELATIONSHIPS WITH THE CITY UNIVERSITY OF NEW YORK AND THE COMMUNITY COLLEGES

A. *City University of New York:*

1. *As a first step we recommend that New York State increase support for the City University of New York to 60 per cent of net operating costs after the deduction of tuition payments and to 60 per cent of capital costs.* We recommend that any additional State funding be related to the nature and amount of Federal institutional aid that may be appropriated under the Federal Education Amendments of 1972. We believe that increased State financing is required to relieve the City of some of its expenses for higher education.

2. *We also recommend that the governing board of the City University be given full responsibility over community colleges within the City* as well as over its present four-year and graduate institutions.

3. *We recommend that the Governor appoint more than one-half of the members of the governing boards of the City University and of the City University Construction Fund, selecting substantial majorities from City residents,* to reflect the State's funding of the University. To retain major aspects of local initiative, other appointments can be made as at present by the Mayor of New York. The Board of Higher Education should ultimately be reduced in size from its present 21 members to perhaps 15. We further recommend that a statutory age for retirement of 70 years be established for members of the Board of Higher Education. We further recommend that the name of the "Board of Higher Education of the City of New York" be changed to the "Board of Trustees of the City University of New York" in order to reflect its actual duties. The Chairman of the Board of Trustees could also serve ex-officio as a member of the City Board of Education because of the important interrelationships between the two boards.

B. *Community Colleges:*

1. A strong community college system is essential to assure students of the opportunities for access to post-secondary education. Community colleges have earned the right to priority attention and should receive it. There does appear to be a need to reduce discrepancies among them in quality and access, so that students living in different areas have more nearly equal opportunities. Integrating these colleges more closely into the State public higher educational system should further these aims.

At the same time the Task Force believes that it is important to retain major aspects of local initiative so that the concept of "community" is truly maintained. The community colleges will function best when they are closely related to local needs and concerns.

The Task Force, therefore, recommends that community colleges which are not in the City University system should become more effectively a part of the State University of New York with regard to their methods of finance and governance and should be coordinated by the State University.

2. Community college financing should be part of the system envisaged by this report and much of the finances provided by the State should flow through grants to students under the Student Bill of Rights. Community colleges, therefore, should charge the same tuition as all other public institutions, and their students should receive the same Bill of Rights grants and other aid. *As a first step, the State should also support at least 60 percent of net operating costs, after the deduction of income from tuition and other sources, and of capital costs for community colleges.* Any additional State funding should be related to the nature and amount of Federal institutional aid that may be appropriated. The local governments should pay the remaining 40 percent of net costs. This system will relieve the local governments as a whole of some expenses. The system of financing should make it possible for students to attend community colleges in communities other than their own.

3. *The Governor should appoint more than one-half of the Trustees of all community colleges, selecting a substantial majority from local residents, with the remainder chosen as at present by local governments.*

4. The State Planning Council should develop a plan which would make certain that all high school graduates throughout the State, regardless of their place of residence, would have available opportunities for access to public two-year colleges.

V. RECOMMENDATIONS FOR FURTHER ACTION

A. *A crash program should be undertaken to accelerate the construction program of the City University in those colleges in which the physical plant is in poorest condition.* We recommend that the Governor be authorized, after a project has been approved by the State Planning Council proposed above, to require speedy clearance by all other government agencies. The project should then be expedited by the City University Construction Fund.

Capital construction for the State University, the community colleges and the private institutions should be carefully reviewed and should be limited only to the most critical projects. The State Dormitory Authority should be instructed not to aid construction of additional facilities without the prior approval of the State Planning Council.

B. *The existing Bundy Aid grants to private institutions for baccalaureate degrees awarded should be phased out as the student aid under the Bill of Rights program is phased in.* These grants should be increased temporarily in 1973-74 (see "Transitional Proposals"). We recognize that direct public support of private institutions may be desirable in some cases, but we believe that it is better policy to support private post-secondary education through students than through institutional grants. Such an approach will foster healthy competition among institutions, public and private, and will relieve the private institutions of some of their costs for student aid. We also note that substantial sums for institutional aid are authorized in the Federal Education Amendments of 1972.

We recommend, however, that Bundy Aid grants for graduate degrees be retained pending a study of the financing of graduate and professional education in New York State, which we recommend be undertaken as soon as possible. We also recommend that these grants be increased in 1973-74 (see "Transitional Proposals").

C. *It is essential for the State to use its resources in post-secondary education more effectively.* The State Planning Council should make this its highest priority. Although productivity in post-secondary education has not shown major progress in recent years, we believe that progress can and should be made, and that the taxpayers deserve nothing less. Some of the areas which require study and action are described in the Appendix. (See page 31.)

D. *The State should encourage interinstitutional and regional cooperation by providing funds to staff regional planning councils.* Such councils should be established throughout the State and should report to the State Planning Council. They should review institutional plans to ensure that programs are not unnecessarily duplicated and that facilities and programs are fully utilized. These councils should have only the power to recommend actions to their member institutions and to the State Planning Council and would not have powers of approval.

E. *The State might make available grants and loans to private institutions in serious difficulty* if they serve a clear State purpose and show promise of surviving with such aid by, among other things, presenting a plan to balance their budget within two or three years. All such grants and loans would be subject to approval by the State Planning Council. The Council also may wish to consider other forms of public-private cooperation which could be of aid to such institutions.

F. *The State should expand its efforts to provide remedial help for academically deficient students,* including those with English language difficulties, to insure that all students have a fair chance to succeed in post-secondary education. If more funds are needed for this purpose the resources must be found. The ultimate answer to the remediation problem lies in the elementary and secondary schools. The challenges to these institutions in recent years have been overwhelming, however, and for the time being, at least, the problem will have to be dealt with at the post-secondary level.

G. *The Regents should be responsible for developing a statewide program to inform and advise all high school students of the aid available under the proposed State Student Financial Bill of Rights. Such information also should be given to the parents of all school children, bi-lingually when appropriate. We recommend that a special committee be appointed to study this problem and prepare a plan of action for inclusion in the Governor's 1974-75 Budget.*

H. *The State should review its administrative relationships with all public institutions with a view to giving campuses more academic and administrative discretion.*

TRANSITIONAL PROPOSALS

During 1973 and in preparation for inclusion in the Governor's 1974-75 legislative program and Executive Budget, we recommend that the State undertake detailed planning and cost estimating of our basic recommendations. We hope that it will be possible to put the plan as developed into effect in the 1974-75 academic year.

We recommend meanwhile that the following steps be taken in 1973-74 to maintain and strengthen the present system and to provide a transition toward the implementation of our basic proposals. The Board of Regents' legislative proposals for 1973-74 provide the basis for the following recommendations:

1. The current Scholar Incentive Awards for students in public and private institutions should be amended as follows during the 1973-74 fiscal year:

   (a) The maximum payment for low-income students would rise from the present $600 to $800.

   (b) The current requirement that students pay the first $200 of costs would be eliminated for low-income students, and lower-middle income students would pay only the first $100.

2. Increased funds should be provided for the Higher Education Opportunity Program.

3. For the present, and pending the further study of graduate education that is urgently required, we believe that the increase in Bundy Aid at the graduate level proposed by the Regents should be provided. This action, however, benefits only the private institutions. It is equally important to maintain excellence in graduate education in public institutions.

   We also propose that, while careful planning of the new student aid program goes on, the Regents' proposal for increased Bundy Aid for baccalaureate degrees should be adopted temporarily.

4. During the 1973 legislative session, the State should begin to provide a larger share of the costs of City University and the community colleges and to revise the current systems of governance and of tuition charges. It should also begin to encourage interinstitutional and regional cooperation by providing funds for staff.

In setting priorities for student and institutional funding during the transitional period, the State must recognize the possibility of substantially increased Federal grants to students in the near future. The Federal budget, if approved, would provide approximately $56 million in 1973-74 and $83 million in 1974-75 in grants to students in New York State. This compares with the current grants of about $19 million. The Federal government should be encouraged to carry out the student aid provisions of the Federal Education Amendments of 1972 as quickly as possible.

Finally, it is imperative that the State administer the Federal Basic Educational Opportunity Grant Program as a first step toward the consolidated student aid program we recommend in the Student Bill of Rights.

COSTS

Our recommendations will require additional State funding. We believe that additional funding is essential, however, if the State is to meet its goals, particularly the goal of guaranteeing access to post-secondary education for students with low incomes.

We have attempted to estimate the costs of our proposals if implemented fully in 1972-73 (the latest year for which reasonably consistent data are available). Numerous problems arise in making such an estimate, and the figures provide only a general guide to what the actual costs might be.

We have not attempted to project for future years, chiefly because the data available to us are inadequate. We urge State authorities to prepare such projections during 1973-74 in the course of planning and carrying out our recommendations.

We stress again the importance of potential Federal funding. If all post-secondary provisions of the Federal Education Amendments of 1972 should be fully funded, as much as $350 million could become available to New York students and institutions in 1973-74. Every effort should be made to assure that the Federal government provides the funds authorized in the landmark 1972 legislation.

Finally, we understand that limited resources may make it impossible to execute our proposals as rapidly as might be desired. We urge, however, that in any phasing process the highest priority be given to increasing aid funds for students with the lowest incomes. These students cannot take advantage of our existing post-secondary system without such aid.

COST OF BASIC PROPOSALS

We estimate that if our Recommendations had been fully implemented in 1972-73, the additional cost to the State's taxpayers would have been approximately $68 million. The State government's costs would have risen by roughly $156 million, but local governments would have saved $88 million because the State would have provided a minimum of 60 percent of the net costs of the community colleges and the City University of New York and tuition would be charged uniformly throughout the State. These estimates do not take into account potential increased Federal aid which may become available in 1973-74 and 1974-75.

COST OF TRANSITIONAL PROPOSALS

The Transitional Proposals would cost the State an additional $48 million in 1973-74, with an annual cost of about $53 million. Increased Scholar Incentive Awards would require about $36 million, and expanded Bundy Aid would require $17 million. Additional funds would be required if actions are taken on the proposals for State support for City University and the community colleges during the current legislative session.

APPOINTMENT OF TASK FORCE

STATE OF NEW YORK
EXECUTIVE CHAMBER
NELSON A. ROCKEFELLER, Governor

(HIGHER EDUCATION TASK FORCE)

October 7, 1972

Governor Rockefeller today announced the appointment of a Task Force to Study the Financing of Higher Education in New York State, including a comprehensive evaluation of the present laws and methods of financing higher education, both public and private, in the state.

The Task Force, headed by Francis Keppel, former United States Commissioner of Education, will begin work immediately. The group will develop a program to strengthen both public and private higher education in the state by proposing better methods of financing and helping to improve the quality of the state's system of higher education.

The Governor said:

"The problems of financing and operating higher education, including medical and other professional training, have continued to intensify. The fiscal plight of private institutions worsens while funding for public higher education is jeopardized by the general fiscal crisis.

"The Task Force will focus its study on: the fiscal problems of private institutions of higher education; the financing of public institutions of higher education; the special problems of student tuition scholarships, and other student aid programs; public-private cooperation to improve resource utilization; and, regional arrangements of higher education resources to get maximum effectiveness out of public and private funds for higher education.

"I am deeply grateful to this most distinguished group of educators, administrators and businessmen who have agreed to take on this monumental task which is vital to the future of higher education in New York State. The extensive experience and recognized leadership brought from the public and private sectors to this assignment will insure the broadest possible perspective and a balance of views in the Task Force's recommendations."

The Governor has asked the Task Force to make its recommendations in time for consideration at the 1973 Legislative Session.

HIGHER EDUCATION TASK FORCE MEMBERS

Francis Keppel of New York City, Chairman of the Board of the General Learning Corporation and former U. S. Commissioner of Education. Mr. Keppel has also served as Vice Chairman of the Board of Higher Education of the City of New York.

Thomas A. Bartlett of Hamilton, President of Colgate University, and former President of American University in Cairo. Dr. Bartlett has also served as a member of the United States Permanent Mission to the United Nations.

Louis T. Benezet of Albany, President of the State University of New York at Albany, and former President of Allegheny College, Claremont College and Claremont Graduate School and University Center in California.

Allan M. Cartter of Berkeley, California, senior research fellow of the Carnegie Commission on Higher Education, and former Executive Vice President and Chancellor of New York University. Dr. Cartter has also served as Dean of the Graduate School at Duke University and as Vice President of the American Council on Education.

Porter R. Chandler of New York City, a partner in the law firm of Davis, Polk, and Wardwell. Mr. Chandler is a former Chairman of the Board of Higher Education of the City of New York and has served as a special assistant Attorney General of the United States and as assistant United States attorney for the Southern District of New York.

Richard W. Couper of New York City, President and Chief Executive Officer of the New York Public Library, and former Deputy Commissioner for Higher Education in the New York State Education Department. Mr. Couper has also served as Vice President and acting President of Hamilton College.

Miriam Colon Edgar of New York City, founder and long-time leader of the Puerto Rican Theater in New York City. Ms. Edgar is also a member of the New York State Council on the Arts and the New York City Cultural Council.

John H. Fischer of New York City, President of Teachers College, Columbia University. Dr. Fischer has also served as Deputy Superintendent of Schools and Superintendent of Instruction for the Baltimore school system and he is currently a trustee of John Hopkins University and the Institution for Educational Development.

Harold Howe II of New York City, Vice President, Division of Education and Research of the Ford Foundation and former United States Commissioner of Education. Mr. Howe is a trustee of Yale University, Vassar College, and the College Entrance Examination Board of New York City.

Clarence B. Jones, Editor and Publisher of the New York Amsterdam News. Mr. Jones formerly served as Counsel to the Southern Christian Leadership Conference and is currently on the Boards of the New York State Legal Aid Society, Harlem Prep and the Martin Luther King, Jr. Memorial Center, among many others.

John I. Kirkpatrick of New York City, President of the Commission on Independent Colleges and Universities of the State of New York, and former Vice President of College Entrance Examination Board. Mr. Kirkpatrick also formerly served as Vice President and Treasurer of Pace College and comptroller of the University of Chicago.

Edward M. Kresky of New York City, Vice President of Wertheim and Company. Dr. Kresky is a former member of Governor Rockefeller's staff and has taught history and political science at New York University and at Brooklyn and Hunter Colleges.

Sol M. Linowitz of Washington, D. C., Senior Partner of Coudert Brothers, former Chairman of the Board of Xerox International and former Ambassador to the Organization of American States (OAS). Mr. Linowitz is a member of the Boards of Trustees of several higher educational institutions, including Hamilton College, Cornell University and the University of Rochester.

Reverend Laurence J. McGinley, S. J., of New York City, assistant to the President of St. Peter's College, former president of Fordham University and a director of the New York State Higher Education Assistance Corporation, and the Lincoln Center for the Performing Arts. Father McGinley is also a former professor and director of graduate studies at Woodstock College and currently serves as consultant for Higher Education to the New York Archdiocese Department of Education.

Mother Eleanor M. O'Byrne, of Albany, former president of Manhattanville College of the Sacred Heart. Mother O'Byrne has also served as Chairman of the Commission on Minority Groups in Higher Education of the Association of American Colleges and as a member of the National Selection Committee for Student Awards under the Fulbright Act.

Clifton W. Phalen of New York City, Chairman of the Executive Committee of Marine Midland Banks, Inc. and former President and member of the Executive Committee of New York Telephone Company. Mr. Phalen is a director of many corporations including Kennecott Copper Corporation, Eastern Air Lines and the Chubb Corporation and he is a member of the Board of Trustees of the State University of New York.

Gustave G. Rosenberg of New York City, an attorney, and former Chairman of the Board of Higher Education of the City of New York. Mr. Rosenberg is also a former Justice of the New York State Supreme Court and former Judge of the New York State Court of Claims and former Chairman of the City University Construction Fund.

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NEW YORK STATE'S GOALS FOR POST-SECONDARY EDUCATION

New York State's statutes, and official statements by the Governor in his Annual and Budget Messages and by the Board of Regents, contain a number of statements about New York's goals for post-secondary education. Some of the more important goal statements are provided below.

1. *State Constitution.* The New York State Constitution contains no policy statements about higher or post-secondary education.
2. *Statutes.* Three statutory provisions establish higher education goals:

   a. *State University System.* Chapter 698 of 1948. Section 351 of the Education Law.
      1. The state university system shall be comprised of such geographically distributed and expanded facilities as will, in conjunction with existing public and private institutions, provide a comprehensive and adequate program of higher education.

   b. *Scholar Incentive Program.* Chapter 389 of 1961.
      "The legislature hereby finds and declares that:
      (a) Individual self-realization and development depends importantly upon the availability of opportunities for not only the specially talented but for all who have the desire and the capacity for higher education.
      (b) In the challenges we face today the clear necessity for higher education not only for the specially talented, but for all who have the ability and ambition to achieve it, calls for a broadened program of state assistance to the student.
      1. *General provisions.* In administering the New York state scholar incentive program, the regents shall give full consideration to the historical and continuing role of the state in encouraging individual scholarship and shall be guided by the abiding public concern repeatedly expressed by the people of the state of New York for the development of the intellectual potential of the maximum number of qualified persons who aspire to opportunities for higher education.

   c. *Full Opportunity Program.* Chapter 811 of 1970. Section 6304-1a of the Education Law.
      This chapter authorized State operating aid of 40 percent of operating costs to community colleges which:
      (i) establish a policy of offering acceptance in an appropriate program of the college to all applicants residing in the sponsorship area who graduated from high school within the previous year . . . .

3. *Governor's Statements.*
   a. *Budget Message,* January 30, 1963. "Our goal is that no young man or woman who wants to go to college and who has the ability to do so should be prevented from doing so because of the lack of financial means or because of the lack of college facilities."
   b. *Budget Message,* January 29, 1965. "We must continue to strive toward the goal of excellence so that our State University will take its place among the great universities of the Nation."
   c. *Governor's Message in Approving the Bundy Aid Legislation,* June 16, 1968. "The Education Department intends to establish a system of accounting for the private institutions of higher learning that wish to qualify for this aid, to assist both the Department and the respective colleges and universities to obtain a better view of their financial and academic strengths and weaknesses. With that information, the Board of Regents and institutions of higher education in the State, collectively and individually, will be in a better position to marshal the academic resources of the State for the maximum benefit of all our citizens.

      "The bill signals the beginning of a realization that all strands of higher education are interrelated and that the academic resources of a state and its responsibilities to them extend beyond the halls of its public institutions of higher education.

      "By this bill we affirm our belief in the importance of the continued strength and vitality of our independent institutions of higher learning, which have served us well in the past and can serve so well in the future in helping to maintain the free market of ideas."
   d. *Budget Message,* January 20, 1970. "Since 1959, this Administration's goal has been that no

young man or woman in the State with the desire and capacity for higher education shall be denied it for lack of facilities or personal financial means. . . . I recommend that the State establish a Full Opportunity Program to achieve the goal of providing access to higher education for every high school graduate in New York State. This program will involve the continued and carefully planned expansion of virtually all State and State-aided higher education programs."

e. *Annual Message,* January 18, 1972. "Our goal is to create a framework in which every college, public and private, plays its vital role in achieving equality of opportunity in higher education.

"Differences in tuition policies are creating serious distortions within the higher education system. Therefore, we have ultimately got to look toward tuition levels at the public colleges of the State that will help to narrow the present gap in tuitions between public and private colleges. In order to maintain equality of educational opportunity for the needy student, such a tuition policy would have to be accompanied by an expansion of scholar incentive awards and student loans.

"Ultimately, the State should also assume financial responsibility for the community colleges, and make them an integral part of the State University system. Here too, the shift of financial responsibility from the local to the State level would have to be accompanied by corresponding shifts in revenue and adjustments in State aid.

"To help relieve the pressures on the public campuses and to help meet the acute financial problems of so many private colleges in the State, every effort must be put forth to make full utilization of our private higher educational resources and to preserve their independence and fiscal solvency."

4. *Regents Statements.*

a. *Regents December 1969 statement,* "Open Admission to Post-Secondary Education."

"It is the policy of the Board of Regents that every high school graduate (or the equivalent) of the State should have an equal opportunity for post-secondary education, not limited to two and four year degree granting institutions, the opportunity to be unrestricted by race, color, creed, sex, national origin or economic conditions.

"Every high school graduate who desires improvement in his skills, knowledge, and understandings should have the opportunity to extend his education beyond high school if he so desires.

"Opportunities should be provided for all high school graduates—those who wish college level education, as well as those who seek other forms of post-secondary education." (This position was approved by the Governor as an amendment to the State's higher education master plan.)

b. *Regents 1972 Statewide Plan for the Development of Post-Secondary Education.*

"The mission of post-secondary education as seen by the Regents is two-fold: (1) to provide lifelong post-secondary educational opportunities and programs for all those in the State who have the aptitude, motivation and desire; and (2) to meet the needs of society for an educated citizenry, for trained personnel, and for research and community services."

To achieve this, the Regents propose "to assure that by 1980 every high school graduate (or the equivalent), having the aptitude and motivation for post-secondary education, will have the opportunity to be admitted to a program of study suited to his educational needs and this opportunity be afforded without regard to race, creed, sex, age, national origin or economic status."

Among the specific objectives are the following:

(1) To increase full-time, first-time freshmen in New York colleges and universities to 70 percent of the year's high school graduates by 1980 (compared with 59 percent in 1971 and 60 percent in 1970).

(2) To have a net out-migration of 13,000 full-time, first-time freshmen by 1980, representing an additional 5 percent of that year's high school graduates, moving to a zero net migration in the 1983–1987 period.

c. Minority enrollments would rise from 9.5 percent of full-time undergraduates in 1970 to 12.5 percent in 1980.

d. The male-to-female ratio would change from 56–44 in 1970 to 50–50 in 1980.

MORE EFFECTIVE USE OF RESOURCES

The Carnegie Commission on Higher Education recently published a report titled, *The More Effective Use of Resources, An Imperative for Higher Education.*[1] To quote the Commission: "The central thrust of this report is that the total institutional expenditures of higher education must be, should be, and can be reduced by nearly $10 billion per year (in 1970 dollars) by 1980 as compared with the costs which would be incurred if the trends of the 1960's were to be continued."

The report suggests that higher education can reduce its costs in two general ways: by reducing the total number of years of student training; and by reducing the cost per student below what it otherwise might be. The report estimates that each of these would reduce 1980 costs by 10 percent.

The report suggests that the former can be achieved by accelerating programs and by reducing the number of "reluctant attenders." The report estimates that as many as 15 percent of all students are reluctantly attending college.

To achieve lower costs, the report suggests:

1. Halting creation of new Ph.D. programs and concentrating existing programs in fewer institutions.
2. Achieving minimum effective size for campuses and for departments within campuses.
3. Moving toward year-round operation.
4. Raising the student-faculty ratio.
5. Reexamining the faculty teaching load.
6. Improving management by better selection and training of middle management, by giving more expert assistance to the college president, and by improving the budgeting process.
7. Creating more alternatives off campus through such methods as "open" universities or credit by examination.
8. Establishing consortia among institutions and by merging some.

The Commission also notes that the "logic of the situation" can lead to savings. For example:

1. Faculty salaries will probably increase less rapidly in the 1970's as a result of the increased supply of Ph.D. holders and the leveling of enrollment growth.
2. Enrollments will continue to shift to the two-year colleges.

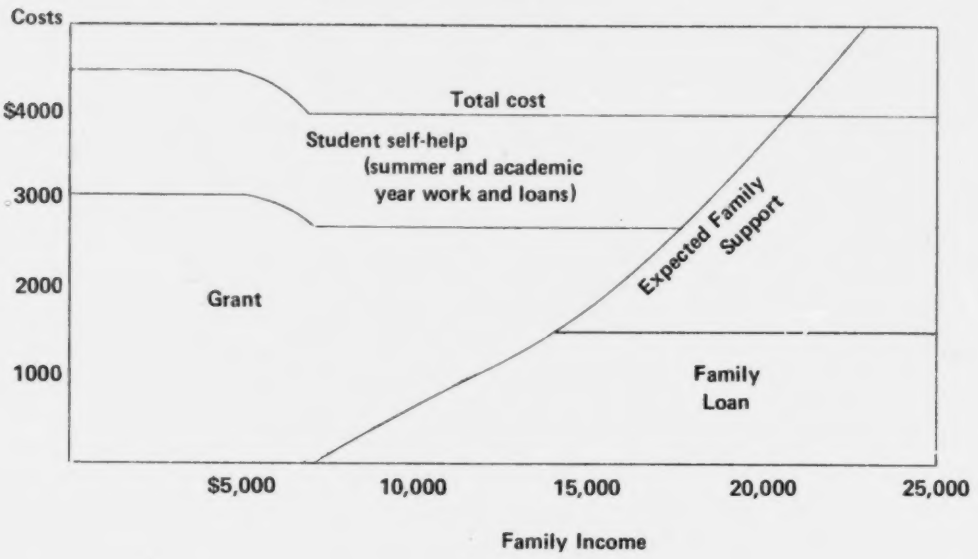
---

[1] The Carnegie Commission on Higher Education, *The More Effective Use of Resources, An Imperative for Higher Education*, June, 1972 (New York—McGraw-Hill Book Company).

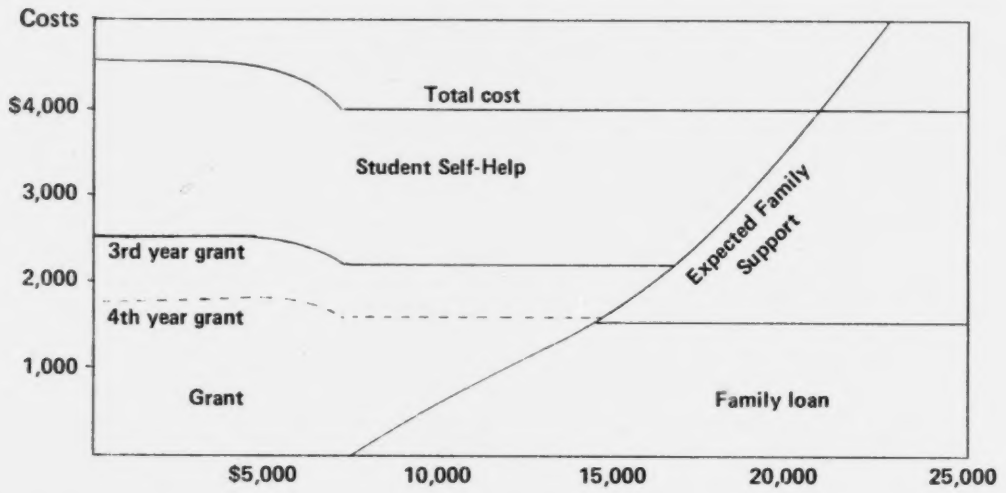
STUDENT FINANCIAL AID

The following charts illustrate the concept of the financial aid approach recommended by the report. The charts show the case of a student from a five-member family with no other members in college. The family support expectation would vary according to family size, the number in college, assets and other factors. The amounts of aid would also change if the student were at a higher or lower cost institution. These charts are based on a resident student at a private college with costs of $4,000. The allowance for extra personal expenses for very low income students is also shown. (See pages 12 and 13.)

First and Second Year



Third and Fourth Years



COSTS PER STUDENT

Educational costs per student tend to be relatively high in New York institutions compared to those in other states, although there are many problems with the data available to make such comparisons. Table I compares Educational and General costs per full-time equivalent student for various types of institutions nationally and in New York State in 1967–68. Table II provides more timely data for selected states.

Chart 1 compares the rate of growth of costs per student [1] among public and private institutions in New York State. Costs per student in the private institutions, after sizeable increases in 1969–70 and 1970–71, grew less sharply in 1971–72. Since much of the State's enrollment growth has been in the relatively low-cost, public two-year colleges, average costs per student in the public institutions may have been held down compared to those in the private institutions, which have large proportions of graduate and professional students.

Table I

Adjusted [1] Educational and General Costs per Full-Time Equivalent Student in Institutions of Higher Education, National and New York State, 1967–68

Type of Institution	United States	New York State
Research and doctoral granting universities		
Private	$3,722	$3,675
Public	2,292	2,923
Comprehensive universities and colleges		
Private	1,540	1,870
Public	1,282	2,088
Private liberal arts colleges		
Colleges I	2,479	1,740
Colleges II	1,624	1,474
Two-Year colleges		
Private	1,417	1,491
Public	1,054	1,224

[1] Educational and General expenses less sponsored and other separately budgeted research.

Source: National data: The Carnegie Commission on Higher Education, *The More Effective Use of Resources,* June, 1972 (New York, McGraw-Hill).

New York Data: State Education Department.

Table II

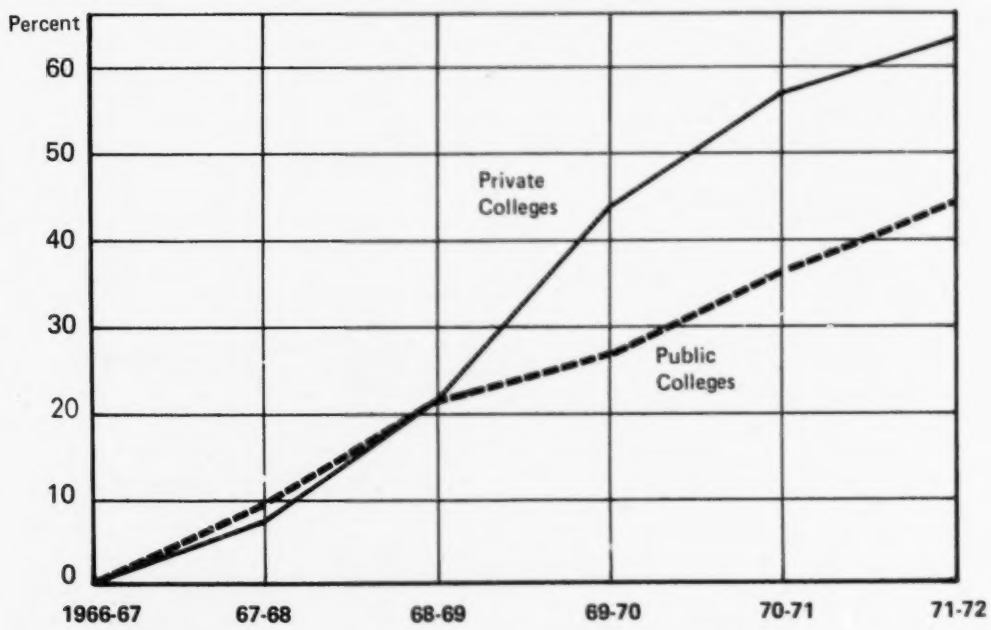
Total Educational and General Expenditures Per Full-Time Equivalent Student, New York and Selected States, 1969–70

	Public		Private	
Rank	State	Full-Time Equivalent	State	Full-Time Equivalent
1	Pennsylvania	$2,853	New York	$4,287
2	Michigan	2,705	California	3,941
3	Illinois	2,668	Illinois	3,423
4	New York	2,458	Pennsylvania	3,005
5	California	2,389	Ohio	2,622
6	Ohio	2,082	Texas	2,348
7	Texas	1,849	Michigan	2,089

Source: Based on data supplied by New York State Education Department.

Chart I

COST PER STUDENT IN PUBLIC AND PRIVATE INSTITUTIONS INCREASES over 1966-67



Source: New York State Department of Education, *Higher Education Planning Statistics.*

FINANCIAL CONDITION OF PRIVATE INSTITUTIONS

Table 3 shows the improved condition of those New York private colleges and universities which received State Bundy Aid from 1971 to 1972. The summary data show that these institutions increased their excess of Educational and General funds from $157,000 in 1971 to $20.0 million in 1972. Their deficit for student aid increased slightly, however, as did their deficit for dormitories and other auxiliary enterprises. After the subtraction of State Bundy Aid, the institutions had a deficit of $700,000 in 1972 compared to a deficit of $16.8 million in 1971.

The institutions sharply increased their transfers out of current funds to endowments, capital plant and other funds. The total market value of endowments and other funds held by the private institutions rose from $1.5 billion in 1969–70 to $1.8 billion in 1970–71.

Table 3

Current Finances of Private Institutions in New York State, Fiscal 1971 and 1972

($000)

	Excess or (Deficit) in Current Fund Accounts					
	Educational and General Expenses	Student Aid	Auxiliary Enterprises	Bundy Aid	Total	Transfers to Other Funds[1]
Grand Totals						
1972	19,996[2]	(40,660)	(4,714)	24,666	(712)[2]	28,765[2]
1971	157	(36,792)	(3,865)	23,700	(16,800)	16,263
Major Universities (6)						
1972	(2,049)[2]	(22,451)	(1,384)	14,632	(11,252)[2]	13,821[2]
1971	(11,958)	(20,248)	(2,462)	14,408	(20,260)	4,776
Universities-Greater New York City (4)						
1972	6,437	(6,395)	(328)	4,005	3,719	3,972
1971	5,788	(5,924)	67	3,650	3,581	4,411
Large Colleges (16)						
1972	10,491	(6,031)	(2,088)	2,619	4,991	6,334
1971	5,250	(5,049)	(365)	2,381	2,217	4,134
Small Colleges (11)						
1972	1,844	(1,894)	(466)	607	91	1,586
1971	100	(1,845)	(313)	533	(1,525)	901
Engineering and Technical Colleges (7)						
1972	3,273	(3,889)	(451)	2,803	1,736	3,052
1971	977	(3,726)	(792)	2,728	(813)	2,041

[1] Transfers from unallocated current funds to endowment, plant, loan or other funds.
[2] Excludes $19.5 million from a bequest of $20 million to one institution, which was transferred to other funds.
Source: Based on data provided to the State Education Department, for Bundy-Aided institutions only.

REVENUES AND EXPENDITURES OF INSTITUTIONS OF HIGHER EDUCATION IN NEW YORK STATE

Tables IV and V show the current revenues and expenditures of higher education institutions in New York State in 1969 and 1970. About 63 percent of total expenditures in 1970 were made by the private institutions.

Table IV

New York State Current Revenues—All Higher Education Institutions—1969 and 1970, in Thousands of Dollars

	State University		City University		Community Coll.		Private		Totals	
	1969	1970	1969	1970	1969	1970	1969	1970	1969	1970
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Current Revenues										
Education and General:										
Tuition and Fees	43,153	47,913	18,136	23,187	30,634	36,830	446,204	498,227	538,127	606,157
Federal Appropriations	41,494	43,563	—	—	2,700	1,179	7,830	9,303	52,024	54,045
State Appropriations	288,798	372,427	66,102	82,925	40,763	49,332	6,989	56,350	402,652	561,034
Local Appropriations	3,135	3,996	66,102	76,202	46,162	61,597	12,869	—	128,268	141,795
Endowment Income	—	—	560	—	—	—	77,266	73,054	77,826	73,054
Gifts	7,545	7,563	9,865	877	104	1,325	115,533	89,517	133,047	99,282
Contributed Services	—	—	—	—	—	—	2,398	—	2,398	—
Sponsored Research	—	—	—	5,631	—	57	193,965	187,396	193,965	193,084
Other Separately Budgeted Research	—	—	—	—	—	28	8,871	259	8,871	287
Other Sponsored Programs	—	—	—	13,651	3,259	2,687	18,475	93,852	21,734	110,190
Recovery of Indirect Costs-Sponsored Prog.	—	—	—	584	—	11	23,615	40,875	23,615	41,470
Sales and Services of Educational Depts.	3,073	3,016	—	—	—	29	80,712	82,149	83,785	85,194
Organ. Activities Related to Educ. Depts.	20,375	22,869	3,798	2,608	—	23	30,544	83,994	54,717	109,494
Total Education and General	407,574	501,347	164,563	205,664	123,622	153,098	1,025,272	1,214,976	1,721,029	2,075,086
Student Aid:										
Gifts	—	—	—	—	—	—	8,631	7,008	8,631	7,008
Endowment Income	—	—	—	—	—	—	2,934	6,558	2,934	6,558
Federal Appropriations	—	—	—	—	—	—	4,753	21,836	4,753	21,836
State Appropriations	—	—	—	—	—	—	418	1,166	418	1,166
Local Appropriations	—	—	—	—	—	—	—	67	—	67
Other	27,128	29,055	2,942	4,395	1,867	3,345	9,422	1,113	41,359	37,908
Total Student Aid	27,128	29,055	2,942	4,395	1,867	3,345	26,157	37,748	58,094	74,543
Auxiliary Enterprises:										
Housing and Food Service	42,066	50,329	—	—	3,441	1,720	35,232	99,368	80,739	151,417
Other	—	—	4,662	4,505	338	2,094	106,856	58,315	111,856	64,914
Total Auxiliary Enterprises	42,066	50,329	4,662	4,505	3,779	3,814	142,088	157,683	192,595	216,331
Transfers to Debt Service	(49,479)	(69,363)	—	—	—	—	—	—	(49,479)	(69,363)
Total Current Revenues	427,289	511,368	172,167	214,564	129,268	160,257	1,193,517	1,410,407	1,922,239	2,296,596

Note: Detail does not necessarily add to total because of rounding.
Source: The Regent's Statewide Plan for the Development of Post Secondary Education, 1972, New York State Department of Education.

Table V

New York State Current Expenditures—All Higher Education Institutions—1969 and 1970, in Thousands of Dollars

	State University		City University		Community Coll.		Private		Totals	
	1969	1970	1969	1970	1969	1970	1969	1970	1969	1970
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Current Expenditures										
Education and General:										
Instruction and Department Research	143,236	156,246	98,122	101,972	62,910	81,266	382,939	395,808	687,207	735,292
Organ. Activities Related to Educ. Depts.	37,138	40,975	4,881	2,138	2,256	344	67,720	84,308	111,995	127,765
Sponsored Research	52,360	56,099	—	5,401	1,743	—	204,048	186,755	258,151	248,255
Other Separately Budgeted Research	—	—	—	—	—	—	17,204	16,246	17,204	16,246
Other Sponsored Programs	6,639	18,390	—	12,478	1,257	2,507	16,881	84,247	24,777	117,622
Extension and Public Service	13,717	16,224	—	551	822	676	7,021	17,930	21,560	35,381
Libraries	17,309	18,101	6,669	7,023	4,378	5,804	33,353	40,952	61,709	71,880
Student Services	13,841	16,502	—	—	—	—	21,051	—	34,892	16,502
Oper. and Maint. of Physical Plant	35,750	38,826	11,724	12,204	14,407	17,370	88,973	99,441	150,854	167,841
General Administration	19,351	22,503	38,215	44,781	34,588	45,166	83,158	193,491	175,312	305,941
Staff Benefits	15,498	23,695	—	—	—	—	13,081	—	28,579	23,695
General Institutional Expense	10,306	11,208	—	—	—	—	48,694[1]	51,187[1]	59,000	62,395
Total Education and General	365,146	418,770	159,611	186,548	122,361	153,133	984,123	1,170,365	1,631,241	1,928,815
Student Aid	26,653	28,311	5,917	5,037	1,663	3,062	64,058	87,511	98,291	123,921
Auxiliary Enterprises:										
Housing and Food Service	38,759	41,780	—	2,066	—	—	102,193	102,744	140,952	146,590
Other	370	84	6,974	2,072	3,395	3,486	34,308	63,889	45,047	69,531
Total Auxiliary Enterprises	39,129	41,864	6,974	4,138	3,395	3,486	136,501	166,633	185,999	216,121
Total Current Expenditures	430,928	488,945	172,502	195,723	127,419	160,131	1,184,679	1,424,509	1,915,528	2,268,858
Excess (Deficit)	(3,639)	22,423	(335)	18,841	1,849	576	8,838	(14,102)	6,711	27,738

[1] Includes major service programs.

Note: Detail does not necessarily add to total because of rounding.

Source: The Regent's Statewide Plan for the Development of Post Secondary Education, 1972, New York State Department of Education.

NEW YORK STATE HIGHER EDUCATION EXPENDITURES

New York State's expenditures for higher education rose as a percentage of total State expenditures from 3.9 percent of the State Budget in 1959–60 to 11.1 percent in 1971–72, declining slightly to an estimated 10.7 percent in 1972–73 (Table VI). Higher education expenditures increased from $78.5 million in 1959–60 to an estimated $846.6 million in 1972–73.

The State Division of the Budget projects that total State expenditures will rise from about $7,948 million in 1972–73 to $10,934 million in 1977–78.[1] If higher education received 10.5 percent of this amount it would receive about $1,148 million in 1977–78.

Chart 2 shows the past and potential growth in total State spending for higher education, with the projection reflecting the amount available to higher education if 10.5 percent of the State Budget were provided. Chart 3 shows the annual rate of growth of such expenditures. In the mid-sixties these expenditures were increasing by more than 20 percent per year. More recently this growth rate has slowed to about a 10 percent increase each year. It is anticipated that higher education expenditures will continue to rise in the future but at a steady rate tied to the rate of increase in total State spending.

---

[1] New York State Division of the Budget, *Five-Year Projection of Income and Expenditures, General Fund, State of New York, 1973–74 Through 1977–78*, February 14, 1973.

Table VI

New York State Expenditures For Higher Education as a Percentage of All State Spending

Year	Total Spending for Higher Education (millions)	As a Percent of Total State Spending	Year	Total Spending for Higher Education (millions)	As a Percent of Total State Spending
1959–60	$ 78.5	3.9	1966–67	$356.2	8.9
1960–61	93.1	4.5	1967–68	461.1	10.0
1961–62	112.6	4.8	1968–69	523.8	9.5
1962–63	153.7	5.9	1969–70	625.7	10.1
1963–64	185.5	6.7	1970–71	640.7	9.5
1964–65	245.9	8.5	1971–72	824.4	11.1
1965–66	279.5	8.1	1972–73	846.6	10.7

Source: New York State Budget Division.

Chart 2

Annual New York State Expenditures for Higher Education

Actual 1965-66 Through 1972-73 and Estimated 1973-74 Through 1977-78

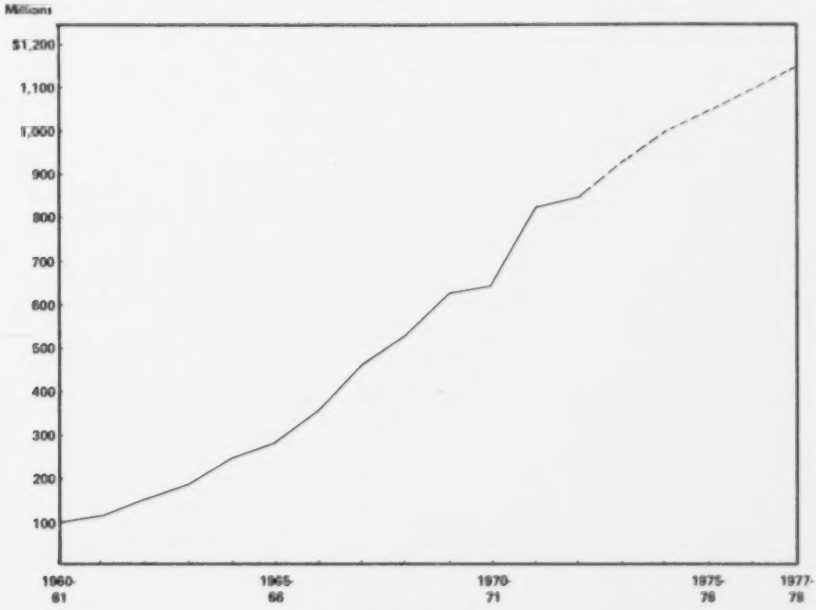
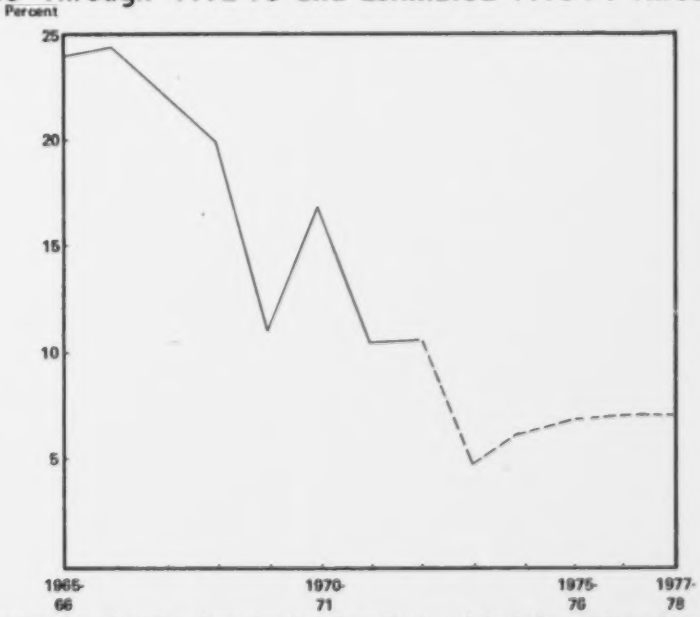


Chart 3

Annual Growth Rate of New York State Higher Education Expenditures

Actual 1965-66 Through 1972-73 and Estimated 1973-74 Through 1977-78



Source: 1960-61 through 1972-73 from New York State Division of the Budget; 1973-74 through 1977-78 based on higher education receiving 10.5 percent of total State Budget, as estimated by the Division of the Budget.

PRODUCTIVITY IN HIGHER EDUCATION

A recent study of higher education productivity [1] showed that there was no apparent advance in productivity in higher education over the period 1930–1967. The report showed that total instructional costs per credit hour in constant dollars rose from 1929–30 to 1966–67, as shown below:

Table VII

Total Instructional Costs per Credit Hour, All Colleges and Universities, Constant Dollars, Selected Years 1929–30 Through 1966–67

Academic Year	Constant Dollars (1957–59)
1929–30	32.8
1939–40	32.8
1949–50	29.8
1959–60	37.0
1966–67	36.4

[1] June O'Neill, *Resource Use in Higher Education, Trends in Output and Input, 1930 to 1967*, Carnegie Commission on Higher Education, 1971.

FEDERAL SUPPORT FOR HIGHER EDUCATION

The Federal Education Amendments of 1972 extended many programs for higher education and established several new major programs. Table VIII lists the largest programs authorized under the Amendments and shows the dollar amounts authorized. The Table also estimates the amounts that would be available to institutions and students in New York State if these authorizations were fully funded. The last column estimates the amounts that would be New York State's share under the fiscal 1974 Federal Budget.

Table VIII

Federal Education Amendments of 1972, Authorizations Under Major Higher Education Programs and Approximate New York State Share Under Full Funding and of 1973–74 Budget Request

Program	Authorization FY 1974	Estimated New York State Share of Authorization 1973–74 [1]	Estimated New York State Share of Federal Budget Request, 1973–74 [2]
	(millions)	(millions)	(millions)
Community Service and Continuing Education	$ 40	$ 4	$–0–
College Library Programs	85	8	–0–
Strengthening Developing Institutions	120	11	9
Basic Educational Opportunity Grants	622 [3]	56	56
Supplemental Educational Opportunity Grants	200	18	–0–
Grants to States for State Student Incentives	50	5	–0–
Special Programs for Students from Disadvantaged Backgrounds	100	9	6
Insured Student Loans (Loan limit $1.8 billion)	NA	NA	NA
College Work-Study Program	390	35	23
Work-Study for Community Service Learning Program	50	5	–0–
Direct Loans to Students	400	36	–0–
Instructional Equipment	60	5	–0–
Grants for Construction of Undergraduate Facilities	300	27	–0–
Grants for Construction of Graduate Academic Facilities	60	5	–0–
Loans for Academic Facilities	150	14	3
Strengthening Graduate Education	40	4	–0–
Language and Area Centers and Programs	75	7	–0–
Establishment and Expansion of Community Colleges	75	7	–0–
Occupational Education Programs	250	23	4
Assistance to Institutions of Higher Education	1,000	73 [4]	–0–
Total	$4,198	$355	$101

[1] Based on 9 percent of total authorization.
[2] Based on 9 percent of budget request.
[3] The authorization for this program is open-ended. The figure used is the amount in the 1973–74 budget request. One full funding estimate is $959 million.
[4] United States Office of Education estimate for New York State under full funding.
Source: Higher Education Amendments of 1972 (P.L. 92–318).

LOCAL GOVERNMENT EXPENDITURES ON HIGHER EDUCATION

New York's local governments spend the highest percentage of combined State and local expenditures for current operations of institutions of higher education of any local governments in the country, as shown in the following table:

Table IX

Local Government Expenditures on Current Operations of Public Institutions of Higher Education, Major States, 1969–70

	Total (million)	As Percent of Combined State and Local Expenditures	
		Percent	Rank
United States	$1,319.2	15.3	—
New York	264.4	40.9	1
California	359.2	31.9	2
Illinois	114.3	23.7	5
Florida	67.8	28.1	3
Michigan	74.8	13.8	14
Ohio	69.9	17.7	9
Pennsylvania	19.7	8.4	19
Texas	47.5	11.4	17

Source: "Expenditures for Public Institutions of Higher Education, 1969–70," Edric A. Weld, Jr., June, 1972, *The Journal of Higher Education.*

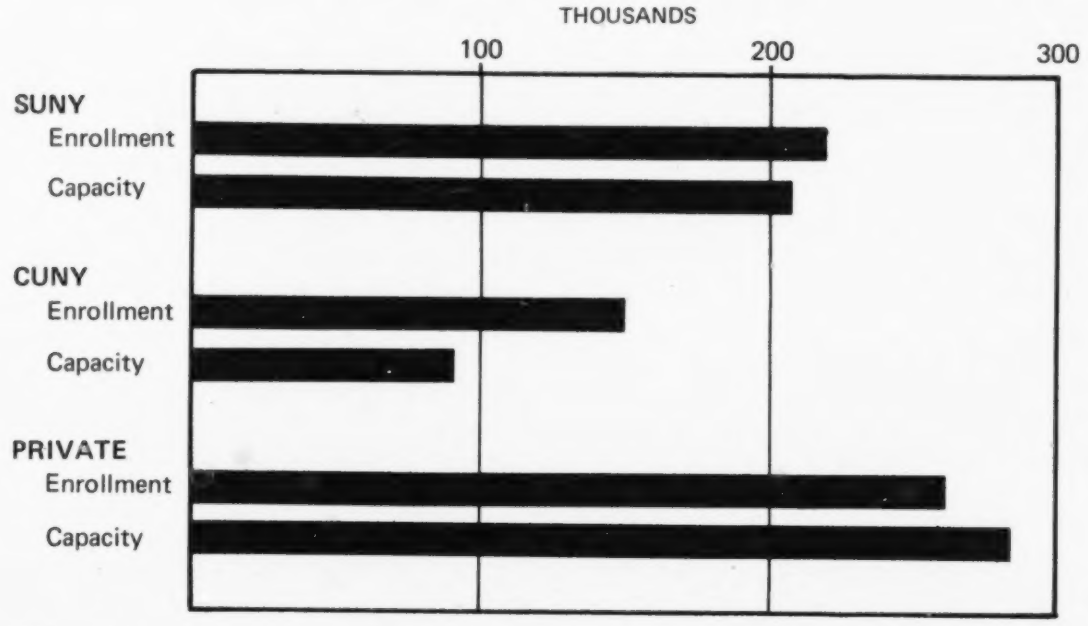
CAPITAL FACILITIES

When the enrollment capacity [1] of the physical facilities of the State University (including community colleges outside New York City), City University (including community colleges within the City) and private institutions in 1971 is compared with the actual enrollments in that year, the City University enrollment far exceeds capacity, State University's enrollment is somewhat higher than the capacity, and the private institutions have excess capacity, as shown in the following chart:

[1] Based on current State University space standards, which are comparable to those used by California, Illinois and other states.

Chart 4

FULL-TIME EQUIVALENT ENROLLMENT AND CAPACITY – FALL 1971



Source: Martin Phillips, A Special Report to the Task Force on Financing Higher Education, *An Analysis of Present and Projected Capital Facilities in New York State.*

ENROLLMENT AND ACCESS

The tables and charts on the following pages show data on undergraduate enrollments, actual and projected, enrollment trends, and a number of factors affecting college access.

Table X shows actual data and the State Education Department projections for high school graduates, full-time freshmen, and total full-time undergraduates. [1]

In order to examine these projections, *Tables XI and XII* project full-time first-time freshmen in two ways. Table XI gives an optimistic projection by assuming improvements in the high school graduation and college-going rates. These "optimistic" estimates are higher than those of the Regents (Table X) until 1990, when they fall below the Regents figures because of the small number of births in 1971 and 1972. Table XII assumes no improvement in these rates. There has been no improvement in the graduation rate of public high schools since 1965 (see Chart 8). The number of freshmen under this approach would be substantially lower than the number projected by the Regents, with the gap widening from 1976 on.

Chart 5 graphically presents this data.

Chart 6 shows full-time undergraduate enrollment. The State Education Department projection of full-time undergraduate enrollment is compared to two alternative methods of estimating enrollment.

Chart 7 compares the changes in full-time, first-time freshman enrollments at public two-year colleges and public four-year and private colleges.

Chart 8 shows the trend in the graduation rate of public high schools.

Table XIII and Chart 9 show the differences in holding power of public high schools by racial/ethnic origin.

Table XIV groups counties by low and high income and compares their high school graduation and college-going rates.

Chart 10 graphs the public high school graduation and college-going rates of selected counties.

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[1] The Regents made the following statement with respect to enrollment goals in their 1972 Statewide Plan (page 112): "That the projections for full-time undergraduate enrollment shown in table 3 [to 1980] be approved as the basis for planning in order that the Regents enrollment objectives be achieved. However, because of the uncertainties associated with the projections, especially with respect to the need for a new financing arrangement, the Regents approve undergraduate enrollment goals for the State and City Universities only through 1975 and defer action on the goals for 1980."

Table X

High School Graduates, First-Time Freshmen, and Resultant College-Going Rates for New York State Institutions: Actual Data 1961–72; Projected Data 1973–80

Year	High School Graduates [1]	Full-Time First-Time Freshmen [2]	Percent of F-T Freshmen to H.S. Graduates	Full-Time Undergraduate Enrollment
	(Chart 5 Curve A)	(Chart 5 Curve C)		(Chart 6 Curve A)
Actual				
1961	165,200	64,600	39.1	208,700
1962	164,500	66,400	40.4	222,500
1963	170,400	73,200	43.0	240,200
1964	209,100	90,200	43.0	267,800
1965	219,600	95,800	43.6	298,500
1966	210,300	94,500	44.9	321,700
1967	222,800	104,300	46.8	347,400
1968	225,200	113,600	50.4	374,500
1969	223,000	121,300	54.4	402,000
1970	233,600	140,000	59.9	439,600
1971	234,300	141,000	60.2	467,100
1972	237,900	145,600	61.2	474,200
Estimated				
1973	240,900	150,100	62.3	505,600
1974	245,100	155,400	63.4	519,100
1975	252,000	162,500	64.5	540,700
1976	254,000	166,600	65.6	562,900
1977	257,900	172,000	66.7	586,700
1978	258,000	174,900	67.8	607,800
1979	262,400	180,800	68.9	627,600
1980	259,300	181,500	70.0	643,000
1985	234,700	171,300	73.0	635,900
1990	238,900	179,200	75.0	635,500

Source: New York State Education Department.

Table XI

Estimated Number of Full-Time, First-Time Freshmen, New York State Institutions, 1973–1990, Assuming Improvement in Births/High School Graduate Ratio to 90 Percent in 1990 and Improvement of High School Graduate/Freshmen Ratio to 70 Percent by 1990

Year	Births 18 Years Earlier	High School Graduates		Percent Full-time First-time Freshmen of High School Graduates	Estimated Full-time First-time Freshmen
		As Percent of Births 18 Years Earlier	Estimated Number		
	(000)		(000)		(Table 5 Curve D) (000)
1973	342	70.5	241	62.3	150
1974	347	71.7	249	62.8	156
1975	359	72.8	261	63.2	165
1976	360	74.0	266	63.7	170
1977	361	75.1	271	64.1	174
1978	359	76.3	274	64.6	177
1979	362	77.4	280	65.0	182
1980	354	78.6	278	65.5	182
1981	356	79.7	284	65.9	187
1982	351	80.9	284	66.4	188
1983	336	82.0	276	66.8	184
1984	321	83.2	267	67.3	180
1985	308	84.3	260	67.7	176
1986	302	85.5	258	68.2	176
1987	310	86.6	268	68.6	184
1988	317	87.8	278	69.0	192
1989	284	88.9	252	69.5	175
1990	249	90.0	224	70.0	157

Source: Births from *New York State Statistical Yearbook, 1972*, and other data from the Staff of the Higher Education Task Force.

Table XII

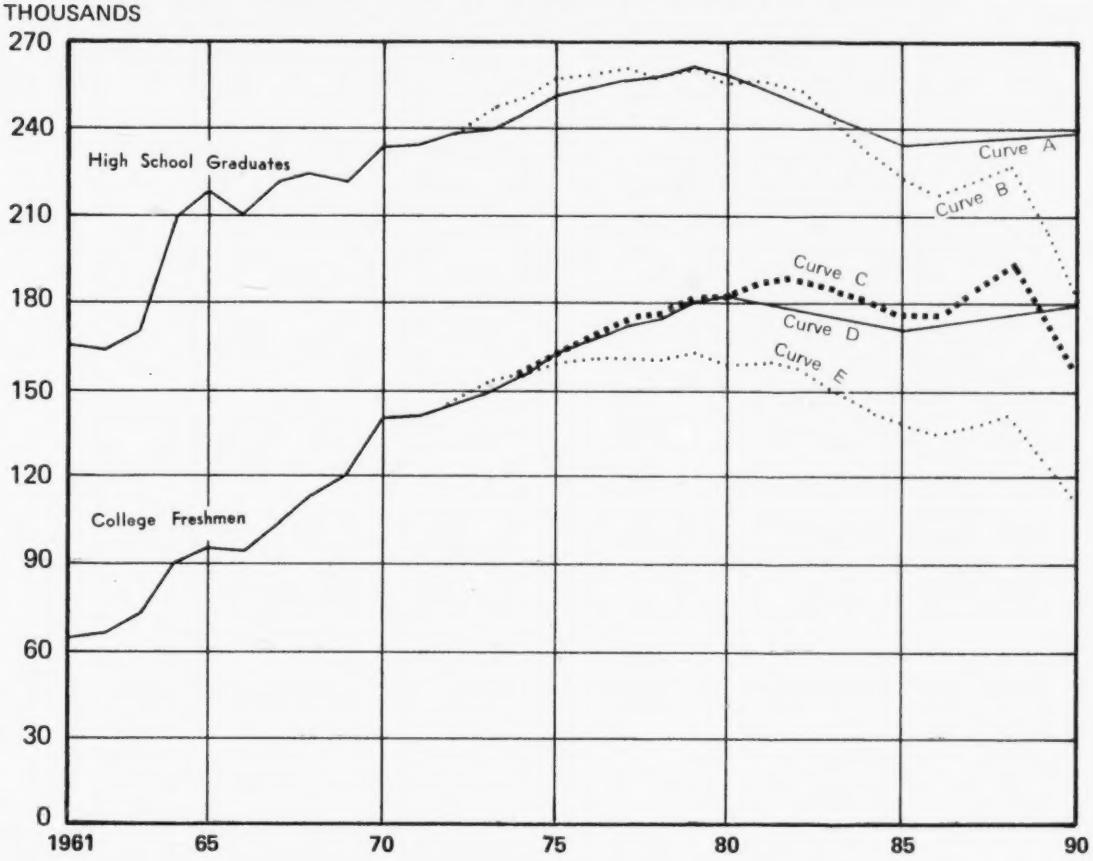
Estimated Number of High School Graduates and Full-Time First-Time Freshmen, 1973–1990 Assuming No Improvement of Birth/High School Graduate Ratio (72 Percent) and High School Graduate/Freshmen Ratio (62 Percent) (000)

Year	Births 18 Years Earlier	Estimated High School Graduates	Estimated Full-Time First-Time Freshmen
		(Table 5 Curve B)	(Table 5 Curve E)
1973	342	246	153
1974	347	250	155
1975	359	258	160
1976	360	259	161
1977	361	260	161
1978	359	258	160
1979	362	261	162
1980	354	255	158
1981	356	256	159
1982	351	253	157
1983	336	242	150
1984	321	231	143
1985	308	222	138
1986	302	217	135
1987	310	223	138
1988	317	228	141
1989	284	204	126
1990	249	179	111

Source: Ibid.

Chart 5

NUMBERS OF HIGH SCHOOL GRADUATES & COLLEGE ENTRANTS IN NEW YORK STATE



High School Graduates and College Entrants in New York State

Curve A shows actual and projected high school graduates from 1961 to 1990. (See Table X.)

Curve B. For the past decade the number of high school graduates has been approximately 72 percent of births 18 years earlier. Curve B continues this assumption to 1990. (See Table XII.)

Curve C shows actual and projected full-time first-time freshmen enrollments from the fall of 1961 to 1990. (See Table X.)

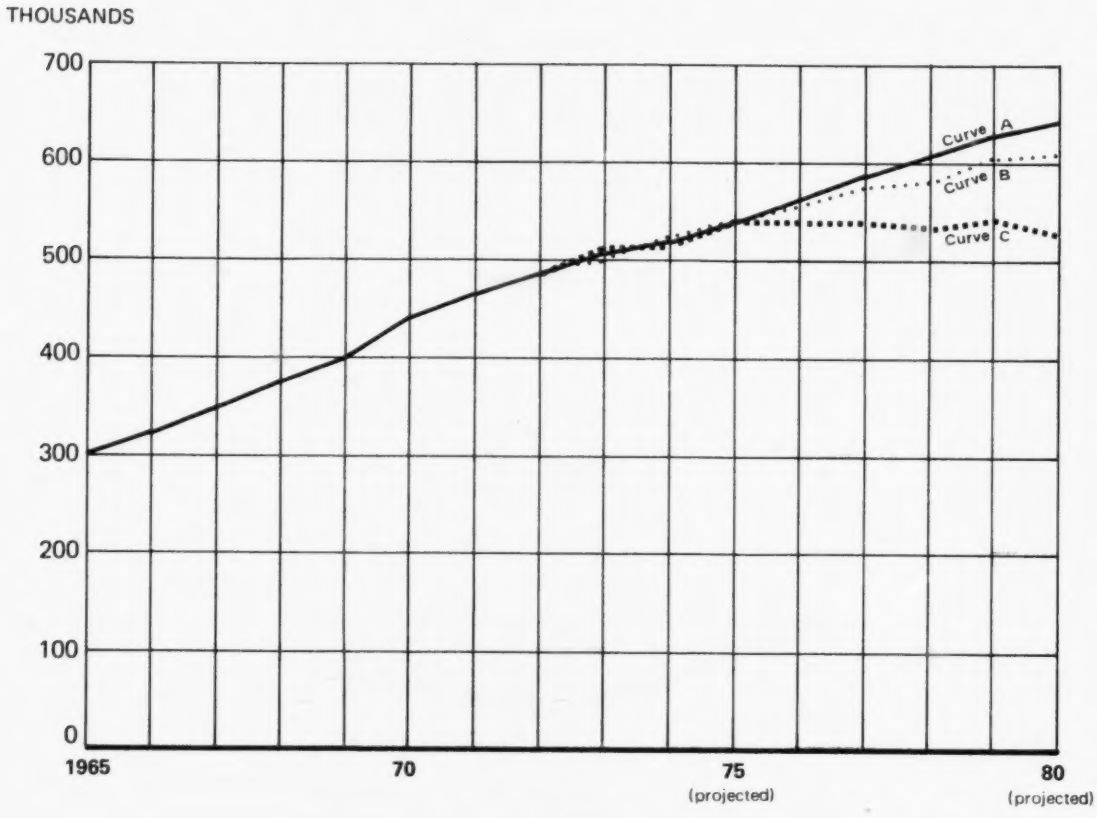
Curve D shows a highly optimistic, full-time first-time freshmen projection. It assumes improvement of the birth/high school graduate ratio to 90 percent by 1990 and improvement of the high school graduate/freshmen rate to 70 percent by 1990. (See Table XI.)

Curve E shows a "no improvement" projection. It holds the birth/high school graduate rate at 72 percent and the high school graduate/freshmen rate at 62 percent (the current rates). (See Table XII.)

Sources: State Education Department and Staff of the Higher Education Task Force.

Chart 6

FULL-TIME UNDERGRADUATE ENROLLMENT



Full-Time Undergraduate Enrollment

Curve A shows the actual and projected full-time undergraduate enrollments from the Regents 1972 Statewide Plan.

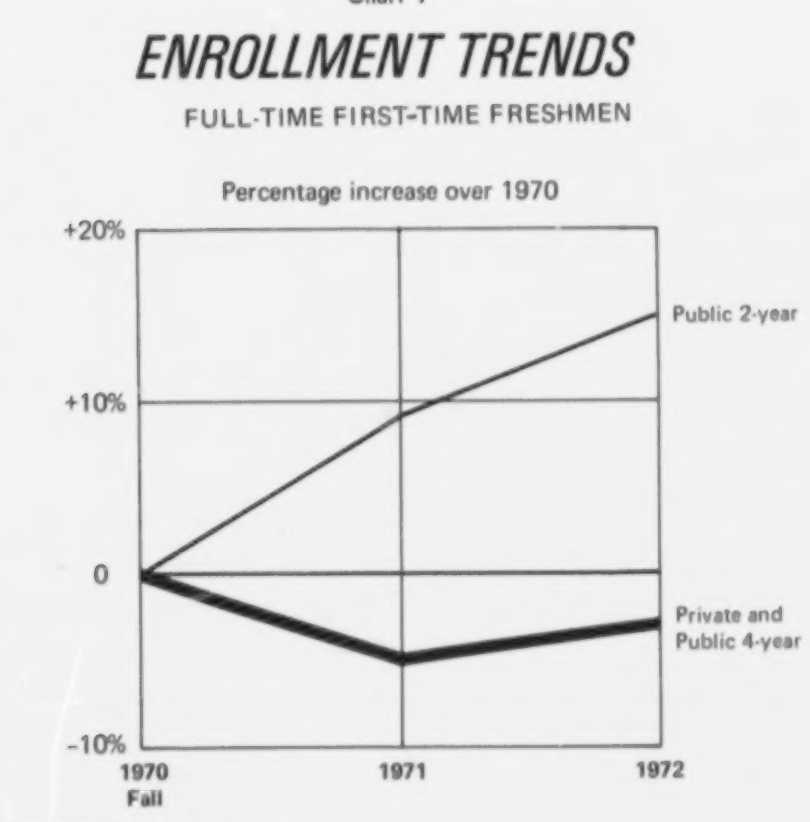
Curves B and C estimate total enrollment from the estimated number of full-time first-time freshmen. The experience of the past decade indicates that the ratio of total enrollment to entrants has been .30. *Curve B* estimates total enrollment from the Regents estimate of full-time first-time freshmen. (See Table X.) Curve C estimates total enrollment from the pessimistic estimate of full-time first-time freshmen shown in Table XII.

If the past ratio of first-time freshmen to total undergraduates is maintained in the future, the number of undergraduates will begin to fall below the Regents projection in 1976 if their projection of first-time freshmen is used. If a lower projection of first-time freshmen is used, based on past trends, the future number of undergraduates could be far lower than projected, with a gap in 1980 of more than 100,000 students.

ENROLLMENT TRENDS

The past two years have shown a change in the patterns of attendance of full-time first-time freshmen in New York State as shown in Chart 7. The total number of entrants has risen since 1970, but all the increase has occurred in the public two-year colleges. Both the private colleges and the four-year public colleges were below their Fall 1970 levels in 1971 and 1972.

Chart 7



Source: New York State Education Department.

BARRIERS TO ACCESS

1. *Counties lacking opportunities for access to two-year colleges for all high school graduates.*

   a. Four counties—Nassau, Suffolk, Erie and Jefferson—sponsor community colleges which are not open to all high school graduates from the county.

   b. The following counties do not sponsor community colleges:

Albany	Lewis	Schoharie
Allegany	Livingston	Schuyler
Cattaraugus	Madison	Seneca
Cayuga	Orleans	Steuben
Chautauqua	Oswego	Tioga
Chemung	Otsego	Wayne
Chenango	Putnam	Wyoming
Delaware	St. Lawrence	Yates
Hamilton	Saratoga	

   Community colleges are located in Cayuga, Chautauqua and Steuben Counties but are sponsored by cities or school districts. These colleges have open door policies officially only for students living in the city or school district, although they enroll students from the county involved on a chargeback basis.

   c. State Agricultural and Technical Colleges are located in Allegany, Delaware, Madison, Nassau, St. Lawrence and Schoharie Counties. They do not have open door policies for local residents, although they enroll many.

2. *Inadequate representation of women.* The Regents 1972 Statewide Master Plan reports that the male to female ratio of undergraduates in New York's higher education institutions in 1970 was 56:44. The Department does not have data on the male to female ratio of high school graduates but estimates that slightly more women than men graduate from high school.

   A 1969 study by the State Education Department (*A Longitudinal Study of the Barriers Affecting the Pursuit of Higher Education by New York State High School Seniors*) noted that girls had significantly higher high school academic rankings than boys. The report went on to note that girls were less likely to continue their education than boys from the same class ranking, including the top quartile of graduates.

   A recent Federal report noted that, nationally, the male to female ratio has narrowed in the last two years because of a declining proportion of men going on to college.

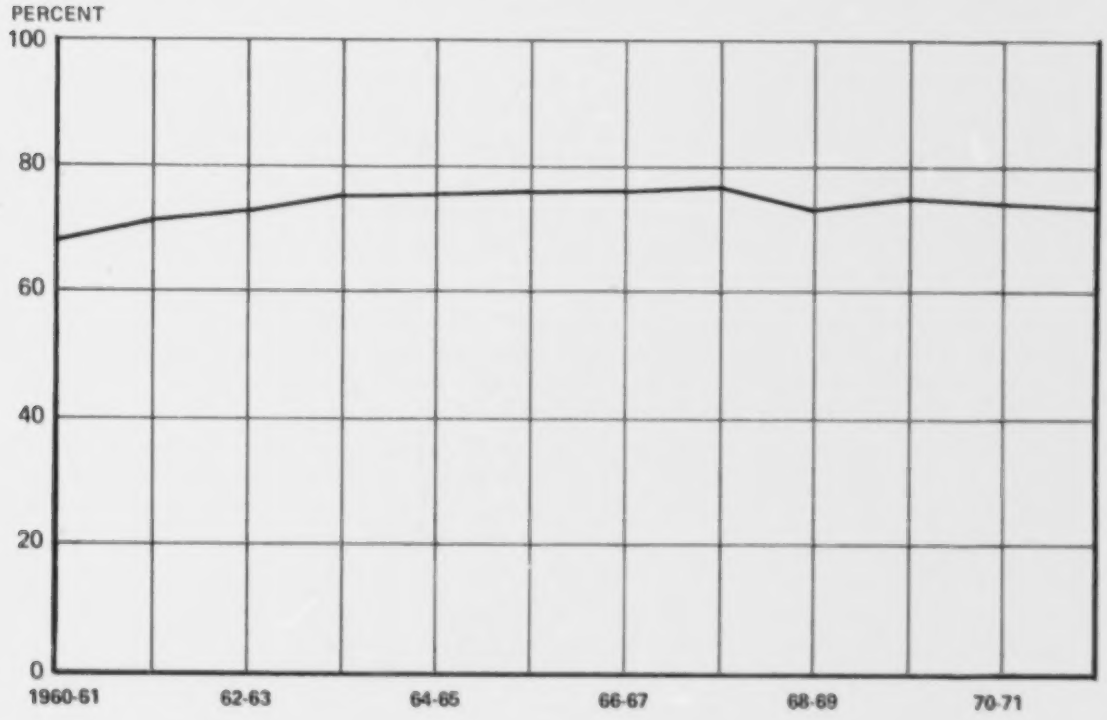
HIGH SCHOOL GRADUATION RATES

Chart 8 shows the trend in the high school graduation rate. There had been steady growth until 1963–64, followed by a four year level period. In more recent years the rate has begun to waver and is less than it was in the mid-sixties.

Source: "Annual Educational Summary 1969–70," Information Center on Education, New York State Education Department.

Chart 8

Graduation Rate From Public High Schools, 1960-61 to 1971-72



HOLDING POWER

Holding Power compares 12th grade enrollment with 9th grade enrollment three years earlier.

Table XIII and Chart 9 show the holding power of public high schools in various locations for students by their racial/ethnic origin. Holding power in this case compares 9th grade enrollment in 1967 with 12th grade enrollment in the fall of 1970.

Table XIII

Holding Power of Public School Students by Racial/Ethnic Origin, New York State, Fall 1967–Fall 1970

Location/Racial/ Ethnic Origin	Enrollment		Holding Power
	9th Grade	12th Grade	
			(percent)
New York City			
Black	25,574	13,069	51.1
SSA [1]	18,331	8,212	44.8
Other	45,515	34,635	76.1
Total	89,420	55,916	62.5
Other Big 6 Cities			
Black	3,420	2,108	61.6
SSA	204	125	61.3
Other	10,001	8,445	84.4
Total	13,625	10,678	78.4
Total State			
Black	33,965	19,044	56.1
SSA	19,556	9,298	47.5
Other	203,790	176,350	86.5
Total	257,311	204,692	79.6

[1] Spanish Surnamed Americans.

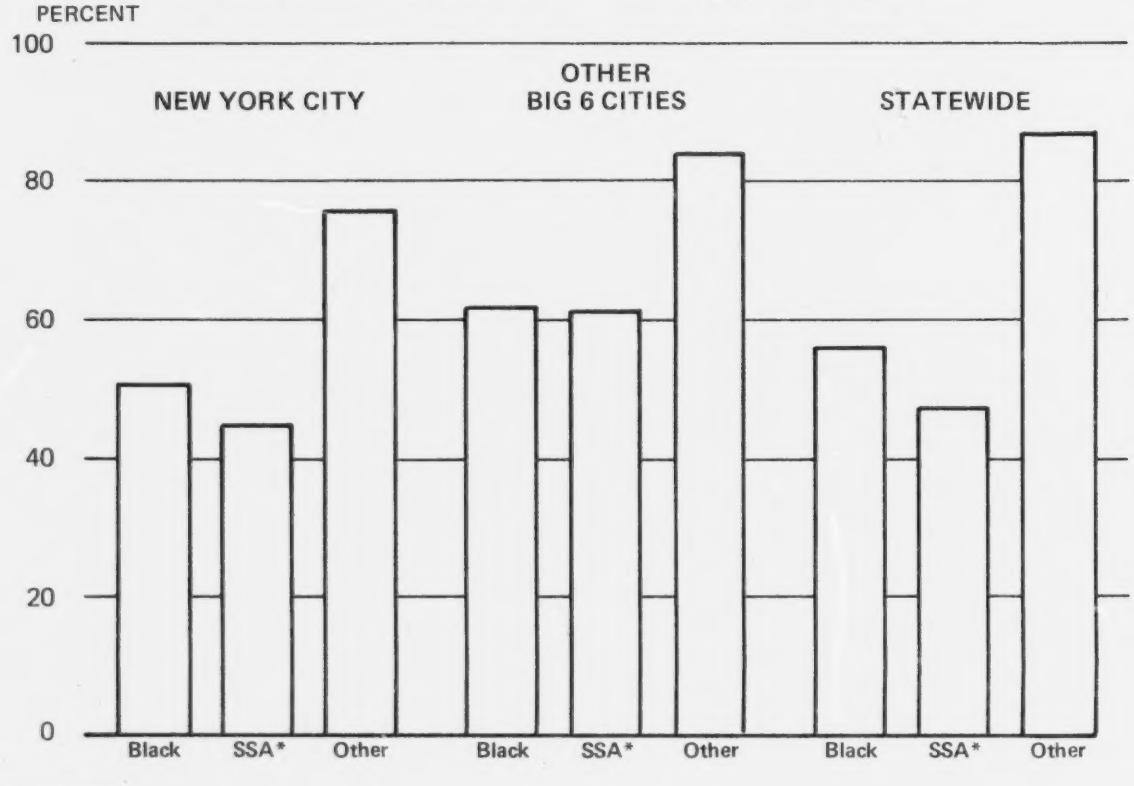
Note: The above figures show entrants into the 12th grade, not high school graduates. It is probable that less than one-half of the Black students in New York City graduate, and the percentage for Spanish Surnamed Americans in the City may dip below 40 percent.

Source: New York State Education Department, Information Center on Education.

Chart 9

HOLDING POWER

OF PUBLIC HIGH SCHOOLS BY RACIAL/ETHNIC BACKGROUND



*Spanish surnamed Americans

Source: Ibid.

INCOME AND COLLEGE ACCESS BY COUNTY

Table XIV groups the ten New York counties with the highest per capita incomes and the ten with the lowest incomes. Among "high income" counties, New York City sends far fewer ninth graders to college than the statewide average (or than any county in the State).

The "low income" counties are all rural. All graduate more students from high school than the statewide average, but all send fewer graduates to college than the statewide average. Only two counties in this group send more ninth graders to college than the statewide average. Four of these counties have a smaller percentage of ninth graders going on to college than New York City.

Nine of the ten high income counties have a community college, but only one of the poor counties is served by a community college. Five of the low income counties are served by a State-operated Agricultural and Technical College, leaving four low income counties without a tie to a two-year public college.

The data in Table XIV covers only the students in public high schools.

Chart 10 shows the high school graduation and college entrance rates of students in selected counties. The data include students who attend out-of-state institutions. Wide discrepancies exist among the counties in both measures, with the rural counties having relatively low rates.

Table XIV

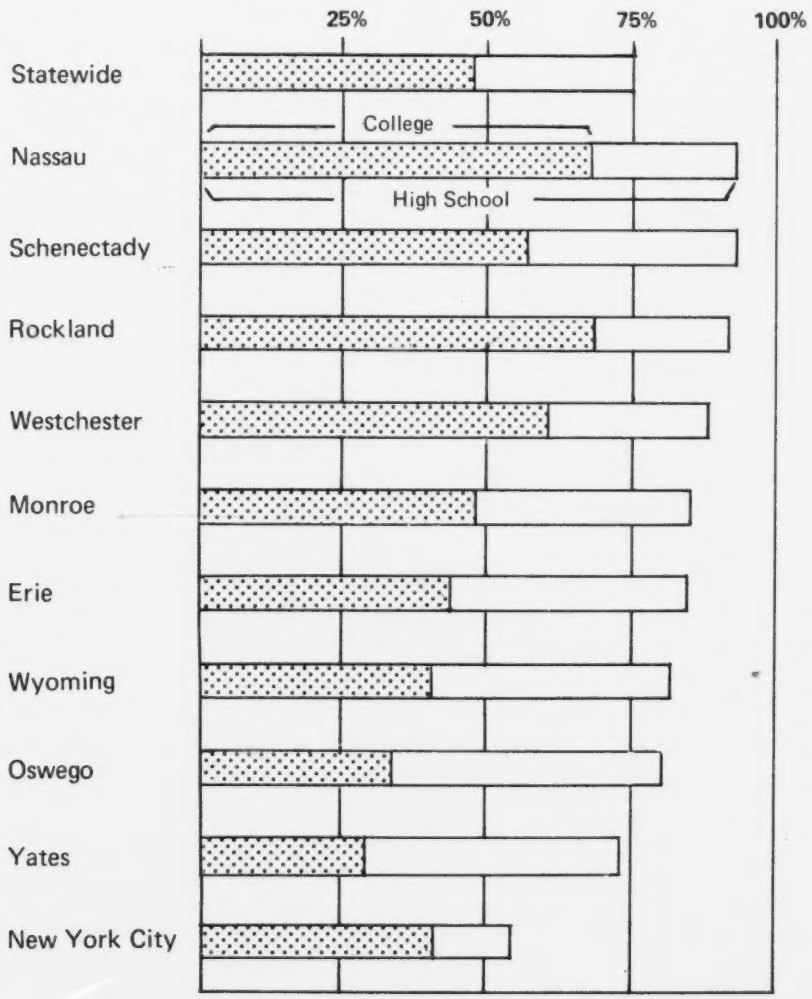
Per Capita Income and College Access
10 Counties With Highest Per Capita Income, 1970

County	Per Capita Income	1971 Public High School Graduates as Percent of 9th Grade Enrollment 4 Years Earlier	Percent of Public High School Graduates Entering College 1971	Community College	Percent of 9th Graders Entering College
Westchester	$7,341	88	68	yes	60
Nassau	6,409	93	73	yes	68
New York City	5,061	54	75	yes	41
Albany	4,884	88	56	no	49
Monroe	4,865	85	56	yes	48
Schenectady	4,437	92	61	yes	56
Dutchess	4,433	81	63	yes	51
Erie	4,080	84	51	yes	43
Onondaga	4,056	83	58	yes	48
Rensselaer	3,971	80	52	yes	42
		10 Counties With Lowest Per Capita Income, 1970			
St. Lawrence	$2,807	84	52	no *	44
Franklin	2,863	88	50	yes	44
Saratoga	2,866	89	57	no	51
Lewis	2,898	84	41	no	34
Oswego	2,902	80	41	no	33
Schuyler	2,949	79	55	no	43
Schoharie	2,969	85	44	no *	37
Allegany	3,096	81	44	no *	36
Madison	3,108	82	52	no *	43
Delaware	3,120	86	57	no *	49
Statewide	4,771	75	63	—	47

* Served by State-operated Agricultural and Technical College.
Sources: New York State Statistical Yearbook and State Education Department.

Chart 10

PUBLIC HIGH SCHOOL GRADUATION & COLLEGE ENTRANCE RATES



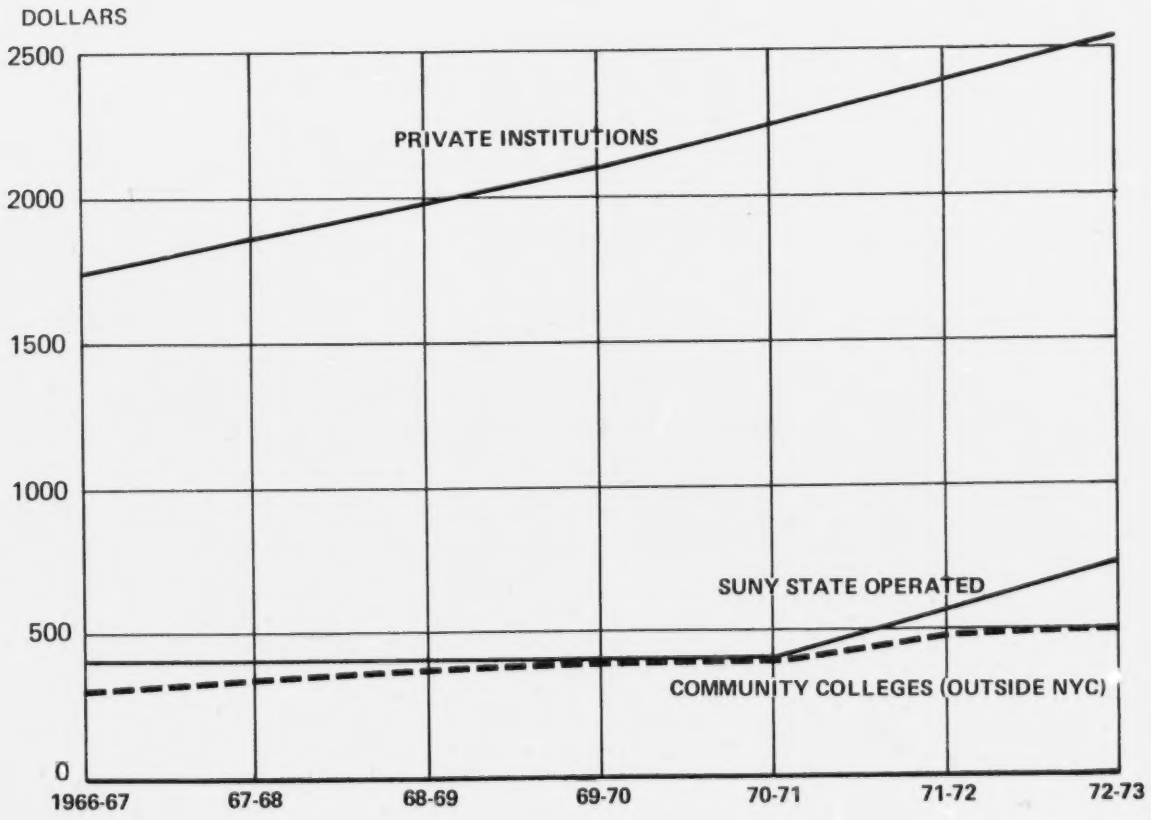
TUITION RATES

Chart 11 shows the differential between average tuition charges in recent years at private institutions in New York State which receive Bundy Aid and the average undergraduate tuition at the State University and at community colleges outside New York City. The City University of New York and community colleges sponsored by the New York City Board of Higher Education do not charge tuition to full-time New York City resident undergraduates, and these institutions are not included on the chart. The State University figure for 1972–73 averages the variable tuition at the lower and upper division levels ($650 and $800 respectively) for New York residents. State University charges higher tuition levels to graduate and first professional students and to non-New York residents then the figures used in the chart, and the average of all students, therefore, would be somewhat higher than charted.

Table XV shows the average tuition levels in New York and national institutions in 1972–73 and gives the percentage increase of these levels from an earlier period.

Chart 11

TUITION RATES



Source: New York State Education Department.

Table XV

Comparison of Average Tuition Rates Among National and New York State Institutions of Higher Education, 1972–73, and Percentage Increases in Recent Years

	1972–73 Tuition	Percent Increase Over 1966
New York State		
Private Institutions (Bundy Aided)		
Major Universities (6)	$2,670	41.3
Universities (4)	1,976	38.2
Large Colleges (15)	2,538	51.1
Small Colleges (7)	2,856	41.4
Engineering and Technical (6)	2,337	45.2
Total (38)	$2,527	45.4
State University—Lower Division	650[1]	
Upper Division	800[1]	81.3[2]
Community Colleges (outside New York City)	502[1]	71.9
City University	0[1]	0
		Percent Increase Over 1967
National		
Large Private Universities (14)	2,654	58.4
Medium Private Institutions (14)	2,412	43.1
Private Men's Institutions (20)	2,638	54.4
Large Public Universities (20)	591[1]	62.8
Public Institutions (12)	536[1]	32.0

[1] Resident tuition.

[2] Based on Average of $650 and $800.

Sources: State Education Department, and American Council on Education, *A Fact Book on Higher Education.*

STATE STUDENT AID PROGRAMS

New York has the largest student aid program of any state, but average grants per student in New York tend to be smaller than in other states with grant programs because of the large numbers of awards, as shown in the following table:

Table XVI

Comparison of State Undergraduate Student Grant Programs, Selected Major States, 1969–70

State	Total Dollars Appropriated	Number of Awards	Average Awards
	(millions)		
New York	$58.8[1]	263,000	$224
California	12.3	14,680	837
Illinois	26.0	38,475	676
Michigan	12.5	24,030	526
New Jersey	11.8	26,658	445
Pennsylvania	51.9	77,400	671

Source: Carnegie Commission on Higher Education, *The Capitol and the Campus,* April 1971, p. 83, Table 7.

[1] Does not include special programs for disadvantaged students.

STUDENT FINANCIAL AID

To give some idea of the complexity of the State and Federal student aid programs available to students in New York State, the following lists the major programs. These are separated into the three types of aid: grants; loans; and work. The level of students eligible to receive the awards and the estimated expenditure in the State in 1971–72 also are provided. In addition to these programs, there are many non-governmental sources of student aid ranging from such programs as the National Merit Scholarships to tuition waivers given by an institution.

Program	Level	Expenditures 1971–72 (000)
Grants		
New York State		
Regents College Scholarships	(undergraduate)	$27,119
Scholar Incentive Awards	(undergraduate)	38,022
	(graduate)	4,857
Child of Veteran Awards	(undergraduate)	1,466
Basic Nursing Scholarships	(undergraduate)	354
War Service Scholarships	(undergraduate and graduate)	313
Other State scholarships and fellowships administered by the Education Department	(undergraduate and graduate)	1,313
Programs for the disadvantaged—SEEK, EOP and HEOP stipends	(undergraduate)	16,922
State University Scholarships	(undergraduate and graduate)	2,250
Subtotal—State Grants		$92,616
Federal		
Educational Opportunity Grants	(undergraduate)	16,236[1]
Nursing Scholarships	(undergraduate and graduate)	2,159
Law Enforcement Grants	(undergraduate and graduate)	3,525[2]
GI and VA Educational Benefits	(undergraduate)	NA[3]
Social Security Benefits	(undergraduate)	NA[3]
Health Professions Scholarships	(graduate)	1,381
Subtotal—Federal Grants		$23,301
Total Grants		$115,917

Programs	Level	Expenditures 1971–72
Loans		
State-Federal, New York Higher Education Assistance Corporation..	(undergraduate and graduate)	127,239[4]
Federal National Defense Loan.....	(undergraduate and graduate)	53,580[1]
Federal Nursing Loan Program.....	(undergraduate and graduate)	2,125
Federal Health Professions Loan Program	(graduate)	2,542
Federal Law Enforcement Loan Program	(undergraduate and graduate)	see above
Total Loans		$185,486
Work		
Federal College Work-Study Program....	(undergraduate and graduate)	17,087[5]
Total		$318,490

[1] Allocations to New York institutions.

[2] Funds may be used for grants or loans.

[3] As much as $200 million may be provided to New York State students under these programs if the State's normal share of federal funds went to such students, but no good estimate of the actual amount is available.

[4] Estimated amount received by students in New York institutions.

[5] The State and, possibly, some local governments provide unknown amounts of matching funds.

FEDERAL EDUCATION AMENDMENTS OF 1972

The Federal Education Amendments of 1972 (P.L. 92–318) has been characterized as the most significant higher education law since the Morrill Act of 1862. Two of the more important sections are reproduced below, the first dealing with state planning for post-secondary education, the second with occupational education.

PART L—POSTSECONDARY EDUCATION COMMISSION, COMPREHENSIVE PLANNING, AND COST OF EDUCATION DATA

AMENDMENTS TO TITLE XII OF THE HIGHER EDUCATION ACT OF 1965

SEC. 196. Title XII of the Higher Education Act of 1965 is amended by adding after section 1201 the following two new sections:

"STATE POSTSECONDARY EDUCATION COMMISSIONS

"SEC. 1202. (a) Any State which desires to receive assistance under section 1203 or title X shall establish a State Commission or designate an existing State agency or State Commission (to be known as the State Commission) which is broadly and equitably representative of the general public and private nonprofit and proprietary institutions of postsecondary education in the State including community colleges (as defined in title X), junior colleges, postsecondary vocational schools, area vocational schools, technical institutes, four-year institutions of higher education and branches thereof.

"(b) Such State Commission may establish committees or task forces, not necessarily consisting of Commission members, and utilize existing agencies or organizations, to make studies, conduct surveys, submit recommendations, or otherwise contribute the best available expertise from the institutions, interest groups, and segments of society most concerned with a particular aspect of the Commission's work.

"(c)(1) At any time after July 1, 1973, a State may designate the State Commission established under subsection (a) as the State agency or institution required under section 105, 603, or 704. In such a case, the State Commission established under this section shall be deemed to meet the requirements of such sections for State agencies or institutions.

"(2) If a State makes a designation referred to in paragraph (1)—

"(A) the Commissioner shall pay the State Commission the amount necessary for the proper and efficient administration of the Commission of the functions transferred to it by reason of the designation; and

"(B) the State Commission shall be considered the successor agency to the State agency or institution with respect to which the designation is made, and action theretofore taken by the State agency or institution shall continue to be effective until changed by the State Commission.

"(d) Any State which desires to receive assistance under title VI or under title VII but which does not desire, after June 30, 1973, to place the functions of State Commissions under such titles under the authority of the State Commission established pursuant to subsection (a) shall establish for the purposes of such titles a State Commission which is broadly representative of the public and of institutions of higher education (including junior colleges and technical institutes) in the State. Such State Commissions shall have the sole responsibility for the administration of State plans under such titles VI and VII within such State.

"COMPREHENSIVE STATEWIDE PLANNING

"SEC. 1203. (a) The Commissioner is authorized to make grants to any State Commission established pursuant to section 1202(a) to enable it to expand the scope of the studies and planning required in title X through comprehensive inventories of, and studies with respect to, all public and private postsecondary educational reources in the State, including planning necessary for such resources to be better coordinated, improved, expanded, or altered so that all persons within the State who desire, and who can benefit from, postsecondary education may have an opportunity to do so.

"(b) The Commissioner shall make technical assistance available to State Commissions, if so requested, to assist them in achieving the purposes of this section.

"(c) There are authorized to be appropriated such sums as may be necessary to carry out this section."

"PART B—OCCUPATIONAL EDUCATION PROGRAMS

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1051. For the purpose of carrying out this part, there are hereby authorized to be appropriated $100,000,000 for the fiscal year ending June 30, 1973, $250,000,000 for the fiscal year ending June 30, 1974, and $500,000,000 for the fiscal year ending June 30, 1975. Eighty per centum of the funds appropriated for the first year for which funds are appropriated under this section shall be available for the purposes of establishing administrative arrangements under section 1055, making planning grants under section 1056, and for initiating programs under section 1057 in those States which have complied with the planning requirements of section 1056; and 20 per centum shall be available only for technical assistance under section 1059(a). From the amount appropriated for each succeeding fiscal year 15 per centum shall be reserved to the Commissioner for grants and contracts pursuant to section 1059(b).

"ALLOTMENTS AND REALLOTMENTS AMONG STATES

"SEC. 1052. (a) From the sums appropriated under section 1051 for the first year for which funds are appropriated under that section (other than funds available only for technical assistance), the Commissioner shall first allot such sums as they may require (but not to exceed $50,000 each) to American Samoa and the Trust Territory of the Pacific Islands. From the remainder of such sums he shall allot to each State an amount which bears the same ratio to such remainder as the number of persons sixteen years of age or older in such State bears to the number of such persons in all the States, except that the amount allotted to each State shall not be less than $100,000.

"(b) From the sums appropriated for any succeeding fiscal year under such section (other than funds reserved to the Commissioner), the Commissioner shall first allot such sums as they may require (but not to exceed $500,000 each) to American Samoa and the Trust Territory of the Pacific Islands. From the remainder of such sums he shall allot to each State an amount which bears the same ratio to such remainder as the number of persons sixteen years of age or older in such State bears to the number of such persons in all the States, except that the amount allotted to each State shall not be less than $500,000.

"(c) The portion of any State's allotment under subsection (a) or (b) for a fiscal year which the Commissioner determines will not be required, for the period such allotment is available, for carrying out the purposes of this part shall be available for reallotment from time to time, on such date or dates during such periods as the Commissioner may fix, to other States in proportion to the original allotments to such States under subsection (a) or (b) for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum which the Commissioner estimates such States need and will be able to use for such period, and the total of such reductions shall be similarly reallotted among the States whose proportionate amounts are not so reduced. Any amount reallotted to a State under this subsection during a year shall be deemed part of its allotment under subsection (a) or (b) for such year.

"FEDERAL ADMINISTRATION

"SEC. 1053. The Secretary shall develop and carry out a program designed to promote and encourage occupational education, which program shall—

"(1) provide for the administration by the Commissioner of Education of grants to the States authorized by this part;

"(2) assure that manpower needs in subprofessional occupations in education, health, rehabilitation, and community and welfare services are adequately considered in the development of programs under this part;

"(3) promote and encourage the coordination of programs developed under this part with those supported under part A of this title, the Vocational Education Act of 1963, the Manpower

Development and Training Act of 1962, title I of the Economic Opportunity Act of 1964, the Public Health Service Act, and related activities administered by various departments and agencies of the Federal Government; and

"(4) provide for the continuous assessment of needs in occupational education and for the continuous evaluation of programs supported under the authority of this part and of related provisions of law.

"GENERAL RESPONSIBILITIES OF COMMISSIONER OF EDUCATION

"SEC. 1054. The Commissioner shall, in addition to the specific responsibilities imposed by this part, develop and carry out a program of occupational education that will—

"(1) coordinate all programs administered by the Commissioner which specifically relate to the provisions of this part so as to provide the maximum practicable support for the objectives of this part;

"(2) promote and encourage occupational preparation, counseling and guidance, and job placement or placement in postsecondary occupational education programs as a responsibility of elementary and secondary schools;

"(3) utilize research and demonstration programs administered by him to assist in the development of new and improved instructional methods and technology for occupational education and in the design and testing of models of schools or school systems which place occupational education on an equal footing with academic education;

"(4) assure that the Education Professions Development Act and similar programs of general application will be so administered as to provide a degree of support for vocational, technical, and occupational education commensurate with national needs and more nearly representative of the relative size of the population to be served; and

"(5) develop and disseminate accurate information on the status of occupational education in all parts of the Nation, at all levels of education, and in all types of institutions, together with information on occupational opportunities available to persons of all ages.

DEGREES GRANTED

The number of undergraduate degrees granted by New York institutions of higher education has increased significantly in recent years, particularly at the associate degree level. The Regents project continued growth in degree production to 1980.

Table XVII

Associate and Baccalaureate Degrees Awarded by New York State Colleges and Universities; Actual 1960–61 to 1970–71; Projected 1971–72 to 1979–80

Year	Associate	Baccalaureate
Actual		
1960–61	7,663	34,641
1961–62	8,849	35,701
1962–63	10,063	39,929
1963–64	10,847	44,235
1964–65	12,591	46,968
1965–66	15,830	49,077
1966–67	19,306	52,381
1967–68	20,705	60,250
1968–69	24,112	66,277
1969–70	26,924	67,204
1970–71	30,846	72,017
Projected		
1971–72	36,300	78,200
1972–73	39,500	83,600
1973–74	40,600	87,500
1974–75	42,700	91,400
1975–76	45,800	96,800
1976–77	49,200	101,600
1977–78	52,400	105,600
1978–79	55,600	110,500
1979–80	58,600	114,700

Source: Regents 1972 Statewide Plan for Post-Secondary Education.

SUPPLY OF AND DEMAND FOR COLLEGE GRADUATES

A rough estimate of the potential supply of college-trained workers was made from the projection of degrees granted in the Regents 1972 Statewide Plan. During the period from 1968 to 1980 it is estimated that 1,101,000 students will receive baccalaureate degrees in New York State. From 1964 to 1976 there will be 3,183,600 high school graduates, and 2,005,300 of these will enter college. Thus, 1,178,300 students will be high school graduates with no college experience, and 580,000 students will enter college but will not receive a baccalaureate degree. An estimated 953,100 students will drop out of high school during the period.

Based on data from the New York State Department of Labor, the demand for workers by level of education for the 1968–80 period was calculated.[1] The supply of and demand for such workers is estimated as follows: (000)

	Demand	Supply	Difference
No college	2590	2131	(459)
1 to 3 years college	440	580	140
4 or more years of college	504	1101	597
	3534	3812	278

Certain adjustments must be made to these supply and demand figures. The *1972 Manpower Report of the President* estimates that considerable upgrading of job requirements will take place during the 1970's. It is estimated that the number of jobs upgraded to requiring a college degree will equal 37 percent of the jobs available because of expansion and worker replacement.

If the number of jobs in New York requiring baccalaureate or higher degrees is adjusted to take into account this job upgrading, the adjusted demand for college graduates will be 691,000 rather than 504,000. A similar effect will probably take place with the jobs requiring one to three years of college, increasing this figure to 603,000 from 440,000. This supply side can be adjusted by using national data on college graduates entering the labor force. Approximately 25 percent of the four-year college graduates will delay entry into the labor force until after 1980. The supply will also be affected by people who received their baccalaureate degrees before 1968 but enter the labor force between 1968 and 1980 or who received degrees in foreign universities. This would add 4.5 percent for a total of 863,000. Similar adjustments were not made for delayed entry among the groups with less than four years of college, nor was the college graduate figure adjusted for students who complete degrees outside of their home state and return to their home state. If sharp upgrading of job requirements occurs, the adjusted demand and supply would be as follows: (000)

	Demand	Supply	Difference
No college	2241	2131	(110)
1–3 years college	603	580	(23)
4 or more years college	691	863	172
	3535	3574	39

The total demand and supply are shown to be in approximate balance. Unless more upgrading takes place than projected from national data, however, there is likely to be an oversupply of college trained people even when the figures are adjusted for job upgrading. This oversupply might be reduced by unemployment or out-migration, but this would result in an overall shortage of workers. If job upgrading does not occur at the estimated level, the oversupply would be far higher. In both cases there would be a shortage of people with no college education. There is, of course, considerable question whether all job upgrading is necessarily desirable.

[1] New York State Department of Labor, *Manpower Requirements, Interim Projections, New York State, 1968–80, and Manpower Directions, New York State, 1965–75.*

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